whose lives were barely affected by the changes. The real beneficiaries of independence had been the middle and lower-middle classes of the cities, who identified with the nationalist rulers. In contrast, prior to 1970, the poorer elements of Muslim society seldom appeared on the political scene and were remarkably quiet and weak by comparison with the decade that followed. At the same time, they were undergoing a phenomenal demographic explosion whose effects remained hidden until the 1970s, when an impatient new generation came of age whose outlook had been shaped only superficially by the traditional religious environment of the ulemas and mystical brotherhoods. This generation was wide open to ideas that transformed the familiar language of Islam, as the region tried to grapple with population explosion, rural exodus, and unprecedented wealth from oil exports. These ideas came from the Islamist ideologists and formed initially around the catalytic thinking of Qutb, Mawdudi, or Khomeini. But they took shape in different ways in different milieus, according to the political, social, and religious structure of each country.

CHAPTER 3

Building Petro-Islam on the Ruins of Arab Nationalism

The 1970s were marked by the sudden emergence of militant Islamist movements in most of the world's Muslim nations. This growing unrest reached its peak with the triumph of the Iranian revolution in February 1979. A new Islamic Republic was built on the ruins of the shah's "impious" fallen government, and the precepts established by Ayatollah Khomeini at the beginning of the decade were now the law of Iran. These events overturned all preconceptions and all the common wisdom about Islam. What had previously been viewed as a conservative, somewhat retrograde religion, whose social and political relevance was declining in the face of progress and modernization, suddenly became the focus of intense interest, hope, and dread. The radical Islamist movement itself, whose very existence had been unknown to all but a very few, was now associated with a revolution whose contours were vague but whose essential nature appeared to be as radical as it was virulently anti-Western.

The politicizing of Islam during this decade was not confined to the Iranian revolution, even though that uprising was its most spectacular manifestation. Five years earlier, the financial clout of Saudi Arabia had been amply demonstrated during the oil embargo against the United States, following the Arab-Israeli war of 1973. This show of international power, along with the nation's astronomical increase in wealth, allowed Saudi Arabia's puritanical, conservative Wahhabite faction to attain a preeminent position of strength in the global expression of Islam. Saudi Arabia's impact on Muslims throughout the world was less visible than that of Khomeini's Iran, but the effect was deeper and more enduring. The kingdom seized the initiative from progressive na- tionalism, which had dominated the 1960s, it reorganized the religious landscape by promoting those associations and ulemas who followed its lead, and then, by injecting substantial amounts of money into Is- lamic interests of all sorts, it won over many more converts. Above all, the Saudis raised a new standard—the virtuous Islamic civilization—as a foil for the corrupting influence of the West, while still managing to remain a staunch ally of the United States and the West against the So- viet bloc (unlike the Iranians).

The year that began in Tehran with the victory of the Islamic Revo- lution to the battle cry of "Down with America!" ended with the Soviet invasion of Afghanistan. This called forth a massive commitment by the CIA and Saudi Arabia to the cause of Afghan jihad. American and Saudi aid to the mujahedeen was largely funneled through Pakistan under General Mohammed Zia ul-Haq, a fervent admirer of Mawdudi; indeed, several of Mawdudi's close associates were ministers in Zia's Islamabad government.

The Islamist upsurge of the 1970s was not merely a revolutionary, anti-imperialist movement that roused the impoverished masses by the skillful use of religious slogans, as in Iran. Nor was it simply an anti- communist alliance forged by the Americans and the Saudis. To mea- sure its full impact we need to identify its many dimensions and inves- tigate the different periods of gestation, the networks, the lines of com- munication, the tendencies and ideas that composed it, within the context of the demographic, cultural, economic, and social realities of the decade. Which groups took part in the Islamist movement? How did they succeed or fail in forming alliances to win power or gain the support of large segments of the population, and who exactly fought against them? Why were some movements crushed by the regimes in place, while others were torn apart by governments that co-opted their more moderate elements, and still others were eventually successful at engineering a revolution?

The Crisis of Arab Nationalism

together heterogeneous social classes

tionalists split into two fiercely opposed camps: progressives, led by Nasser's Egypt, Baathist Syria, and Iraq, versus the conservatives, led by the monarchies of Jordan and the Arabian peninsula. In this Arab cold war, the antagonists agreed about only one thing—confrontation with Israel—and even this consensus was dealt a potentially crippling blow by the Arabs' defeat in the Six Day War of June 1967. It was the pro- gressives, and above all Nasser, who had started the war and been most seriously humiliated militarily. Nasser's spectacular resignation imme- diately after the defeat—even though he retracted this later and used the situation to eliminate his domestic rivals—marked a major sym- bolic rupture. In effect, the nationalists' pledge that the Zionist state would be annihilated was itself destroyed by the 1967 rout.

The trauma experienced at the time by Arab intellectuals resulted in much soul-searching, of which the most relentless example was *Self- Criticism after the Defeat* by the Syrian philosopher Sadeq Jalal al-Azm.[1] Later on, conservative Saudis would call 1967 a form of divine punish- ment for forgetting religion. They would contrast that war, in which Egyptian soldiers went into battle shouting "Land! Sea! Air!" with the struggle of 1973, in which the same soldiers cried "Allah Akhbar!" and were consequently more successful. However it was interpreted, the 1967 defeat seriously undermined the ideological edifice of nationalism and created a vacuum to be filled a few years later by Qutb's Islamist philos- ophy, which until then had been confined to small circles of Muslim Brothers, prisoners, and convicts sentenced to hard labor in camps.

Egyptian students would eventually play a key role in the ideological expansion of Islamism, but not before taking a detour to the left. As the avant-garde of revolt against Nasser's regime, they were led at first by socialists who pushed for renewed hostilities against Israel and imputed the defeat to treacherous generals and profiteers within the military. February 1968 saw the first student insurrection, which was backed by workers from the industrial city of Helouan on the out- skirts of Cairo. In the fall, another wave of agitation in the Nile delta and Alexandria saw demonstrations by students linked to the Muslim Brothers—who were still a tiny minority.[2]

For Nasser, the creation of a leftist ideological caucus was a major threat because it challenged his legitimacy as a progressive. At the same time, the Palestinian cause, which Egypt and the other Arab states had trol, with the arrival in 1969 of Yasir Arafat as the head of the autonomous Palestine Liberation Organization. By gaining control of their own destiny and embodying Arab resistance to Israel after the military debacle of 1967, the Palestinians filled the space in the student psyche that Nasser's nationalism had vacated.

Meanwhile, in 1970, tensions between King Hussein of Jordan and the Palestinian organizations installed in the Jordanian refugee camps resulted in the bloodbath of Black September, during which the Palestinians suffered the heaviest losses in their recent history.[3] Here it was not the Jewish state but a government run by fellow Arabs that attacked the new champions of Arab nationalism. It was a massive blow to the nationalist cause, at the very moment when the death of Nasser (also in September) eliminated its most charismatic leader.

The crisis of Arab nationalism seemed to be a boon to the leftist students, occasionally supported by workers, who championed Palestinian resistance. This period was short-lived, however. The Arab states, including those that described themselves as progressive, quickly mobilized their resources against this leftist threat, which they saw as being patterned after the Western student uprisings of 1968. Meanwhile, the attractions of the left did not extend beyond student groups, the intellectual circles of the cities, and scattered nuclei of committed workers. Its radical proposals—expressed in European Marxist language—frightened the middle classes and were incomprehensible to the uneducated masses. Thus, paradoxically, Islamism's key to success lay in exploiting both the fears among government elites and the disappointments among leftist intellectuals. Conservative governments, on the Saudi model, encouraged Islamism as a counterweight to the Marxists on university campuses, whom they feared. And some of the young leftist intellectuals, as they took stock of their failure to impress the masses, began to convert to Islamism because it seemed a more genuine discourse.

The events of Black September 1970 in Amman demonstrated the explosive nature of popular discontent, when mobilized by forces of the left against authoritarian governments that recently had been defeated on the battlefield. Nevertheless, the Jordanian Muslim Brothers had supported King Hussein during the showdown with the Palestin-

resting the pro-Soviet Nasser supporters during his "corrective revolution" of May 15, 1971, gradually began to release all the Muslim Brothers and their associates from prison. The freed Brothers quickly gravitated toward the fertile political ground of the universities, where the beginning of the 1972–73 school year was marked by incessant agitation for a new war against Israel. The student question had become central to domestic politics, and an Islamist organization, the first of its kind, was founded at the polytechnic faculty of Cairo University. For the moment its impact was minimal compared with that of the Marxists, but it at least made its program known and in doing so was aided by the secret services, even though some militants were uncomfortable with this.

By encouraging the Islamists, Sadat gave up the Egyptian state's monopoly on ideology, as well as the strategy of containing religion on which his predecessor had relied. Where Nasser's state had mobilized nationalist crowds and suppressed all dissent, Sadat compensated for the ideological weakness of his regime by allowing autonomous religious figures to express themselves and neutralize the left. This relative liberalization of religion occurred while the political arena remained under tight control. There was no press freedom worthy of the name, and no free exchange of ideas except in the mosques, where the Islamists were able to use the religious framework to their advantage. This Egyptian phenomenon had its equivalents in other Muslim countries, notably Tunisia, Algeria, and Morocco, where the mostly francophone leftist students found themselves confronting Islamists who no longer took their cue from books published in Paris's Latin Quarter but drew on Arabic sources published in Saudi Arabia.

The Emergence of Militant Islamism

During the 1970s, the first generation to be born in the era of independence came of age in most of the Muslim world. These young people had no first-hand recollection of the anti-colonial tide of liberation that had legitimized the nationalist regimes under which they lived, and thus they were out of step with elites in government. Unlike their elders and parents, they had been born too late to benefit from the jobs

Between 1955 and 1970, population growth in the Muslim world approached 50 percent—a demographic change of spectacular proportions. By 1975, with urbanization and literacy advancing apace, the cohort under 24 years old represented over 60 percent of the total population.[4] The world of Islam, which had always been predominantly rural and governed by a small urban elite with exclusive access to reading and writing, now underwent a radical transformation with the arrival of this mass of literate young city dwellers. The newcomers were confronted with challenges of every kind, for which the traditional knowledge passed on to them by their uneducated parents was largely useless. Their situation was in stark contrast with that of their parents and ancestors, who had had no choice but to remain in the roles to which they had been born, having known only the narrow confines of their village. The social and cultural chasm between the two generations was wide and deep, and there had been nothing like it since the dawn of Islam.

The young urbanites of the 1970s were far from prosperous, however. They crowded together under precarious conditions on the edges of cities—in the *bidonvilles* of the Maghreb, the *achwaiyyat* of the Middle East, and the *gecekondu* of Turkey.[5] But secondary schooling and, to a lesser extent, higher education in the cities had given this new generation not only access to newspapers and books but also great expectations of upward mobility. Young people were now able to select and compare information sources, to express themselves formally in public, and to confidently oppose the ruling national elites, by drawing on their own intellectual resources. This was a cultural leap forward, but it was not matched by the expected social progress. The result was frustration that quickly turned to resentment of the elites, who were accused of monopolizing state power and depriving the young of the influence and wealth that was their due.

Social and political discontent was most commonly expressed in the cultural sphere, through a rejection of the nationalist ideologies of the ruling cliques in favor of Islamist ideology. This process began on the once left-leaning university campuses which were now, in the early 1970s, controlled by Islamist movements. The Islamist intellectuals propagated the ideas of Qutb, Mawdudi, and Khomeini, who had not achieved a mass following because their advocates had been neither numerous enough nor angry enough to embrace theories of total revolution—even though they had been sufficiently versed in their own

modern, written languages to understand the discourse and identify with the principles involved.

By the early 1970s the Islamist intelligentsia taking shape on the campuses of Egypt, Malaysia, and Pakistan began to spread throughout the Muslim world, courtesy of the networks and financial clout of the Saudi Wahhabites following the 1973 war. At first the goals and tactics of the intellectuals were diffuse; it was only after parting company with the nationalists that they began to focus on Islamism as their weapon in a new battle for political domination, and to find recruits in various milieus whose class interests were more diverse.

Among the new recruits, two social groups were particularly susceptible to Islamist persuasion. One was the huge mass of young urban poor from deprived backgrounds, whose parents had come in from the country. The other was the devout bourgeoisie, a class excluded from political power and economically hemmed in by military and monarchical regimes.[6] These two groups were both committed to the sharia and to the idea of an Islamic state, but they did not view that state in quite the same way. The former imbued it with a social-revolutionary content, while the latter saw it as a vehicle for wresting power for themselves from the incumbent elites, without fundamentally disturbing the existing social hierarchies.

This divergence of interests lies at the very heart of contemporary Islamism. The Islamist intelligentsia's role was to gloss over this clash of social agendas and reconcile the two groups to the shared pursuit of power. The intellectuals did this by concentrating on the moral and cultural dimensions of religion. They won the broadest base of support—and in Iran it was broad enough to carry them to power—when they mobilized both the young urban poor and the devout bourgeoisie with an ideology that offered a vague social agenda but a sharp focus on morality. Everyone in the movement could understand and interpret this ideology as they chose, given the opaqueness of the religious language in which it was couched. On the other hand, wherever the coalition between the young urban poor and the devout bourgeoisie dissolved, the more radical and more moderate elements canceled one another out and the Islamist movement failed to seize power. In Algeria, for example, the Islamist intelligentsia's ideology was too weak to unify the two groups, and as a result a civil war raged from 1992 to 1998 between the radical Groupe Islamique Armé (GIA) and the moderate

Armée Islamique du Salut (AIS). The extortion and blackmail practiced by Algerian radical groups on Islamist notables beginning in 1994–95 are just two examples of the terrorist tactics that some radicals used to shock the pious bourgeoisie. The ruling elites—taking advantage of the fears of the middle class that they would be the first victims of the young revolutionaries if state repression ceased—succeeded at dividing the two groups.

Similarly, in Egypt, terrorism directed against tourists was disastrous for the incomes of the local middle classes and others who lived off the tourist industry. This helped the state to discredit the entire Islamist movement, most recently after the massacre at Luxor in the fall of 1997. Several other Muslim states contrived to use these divisions to entice segments of the Islamist intelligentsia and the devout bourgeoisie into the ruling camp, by making an ostentatious display of token Islamization while keeping the old social hierarchies intact. This was notably the case in Pakistan and Malaysia at the close of the 1970s.

The essential contradiction between the radical goals of the young urban poor and the conservative goals of the bourgeoisie that lurked behind the apparently united front of Islamism explains how the movement could be outflanked by forces and interest groups from both right and left in a given country or at the international level. The massive financial clout of Saudi Arabia—a reactionary monarchy if ever there was one—and the American policy in the 1970s of encouraging the expansion of the Islamist movement were never intended to empower the young urban poor, for whom implementation of the sharia and social revolution were one and the same thing. Rather, Riyadh and Washington were eager to shore up the devout bourgeoisie, whom they felt were best equipped to neutralize these dangerous new classes; and they were willing to pay in the coin of religious words and symbols whenever necessary. The nationalists, whose principal weapons were coercion and repression, were too discredited by 1970s to do this.[7]

In the Communist world, on the other hand, the target group was just the opposite: by drawing on the strength of the masses, Islamism, it was hoped, might turn into an anti-imperialist and anti-capitalist force to overthrow the bourgeoisie.[8] The support of the Iranian Communist party (the Tudeh) and the USSR for the revolution in Iran, the rallying to the Islamist banner of many former Marxists from all over the Muslim world, and even the enthusiasm of French Communist municipal authorities for young Islamist organizations in France's deprived immigrant areas were all prompted by the fact that the venerated masses were joining the Islamist movement.

The Victory of Petro-Islam and the Wahhabite Expansion

The war of October 1973 was started by Egypt and Syria with the aim of avenging the humiliation of 1967 and restoring the lost legitimacy of the two states' authoritarian regimes. The Arab armies successfully broke through the Israeli front lines on the Suez Canal and the Golan Heights, only to be threatened by an all-out counteroffensive. This retaliation was halted when the Arab oil-exporting nations declared an embargo on oil destined for Israel's Western allies. An armistice was eventually signed on the Cairo-Suez road, 101 kilometers from the Egyptian capital, at the point of the Israeli forces' farthest advance.

The Arab states emerged with a symbolic victory that allowed Sadat and Syrian President Assad ("lion" in Arabic) to present themselves respectively as the Hero of the Crossing (of the Suez Canal) and the Lion of October. However, the real victors in this war were the oil-exporting countries, above all Saudi Arabia. In addition to the embargo's political success, it had reduced the world supply of oil and sent the price per barrel soaring. In the aftermath of the war, the oil states abruptly found themselves with revenues gigantic enough to assure them a clear position of dominance within the Muslim world.[9]

Saudi Arabia—the home of the holy sites of Mecca and Medina—now had unlimited means with which to further its ancient ambition of hegemony over the Community of the Faithful. During the 1960s the nationalist dynamic had diluted the political importance of religion; the war of 1973 again reversed the situation. The Wahhabite doctrine's only audience outside the Arabian peninsula was in religiously conservative milieus belonging to disparate international groups, including Muslim Brothers associated with Indian and Pakistani networks as well as Black African and Asian Muslims. All of these had passed through Mecca and returned to their own countries to preach in the Arab style and purge Islam of "superstition."

Prior to 1973, Islam was everywhere dominated by national or local traditions rooted in the piety of the common people, with clerics from the different schools of Sunni religious law established in all major regions of the Muslim world (Hanafite in the Turkish zones of South Asia, Malakite in Africa, Shafeite in Southeast Asia), along with their Shiite counterparts.[20] This motley establishment held Saudi-inspired puritanism in great suspicion on account of its sectarian character. But after 1973, the oil-rich Wahhabites found themselves in a different economic position, being able to mount a wide-ranging campaign of proselytizing among the Sunnis. (The Shiites, whom the Sunnis considered to be heretics, remained outside the movement.) The objective was to bring Islam to the forefront of the international scene, to substitute it for the various discredited nationalist movements, and to refine the multitude of voices within the religion down to the single creed of the masters of Mecca. The Saudis' zeal now embraced the entire world, extending beyond the traditional frontiers of Islam to the heart of the West, where immigrant Muslim populations were their special target.[21]

The propagation of the faith was not the only issue for the leaders in Riyadh. Religious obedience on the part of the Saudi population became the key to winning government subsidies, the kingdom's justification for its financial pre-eminence, and the best way to allay envy among impoverished co-religionists in Africa and Asia. By becoming the managers of a huge empire of charity and good works, the Saudi government sought to legitimize a prosperity it claimed was manna from heaven, blessing the peninsula where the Prophet Mohammed had received his Revelation. Thus, an otherwise fragile Saudi monarchy buttressed its power by projecting its obedient and charitable dimension internationally. This religious policy also helped people forget that American military might was the ultimate guarantor of the kingdom and that the Saudi regime whose ulemas vilified the West for its impiety actually depended very heavily on the United States and its allies for survival. It was a ploy that protected the House of Saud throughout the years of abundant oil revenues, until the 1990–91 Gulf War finally exposed its essential weakness.

Through its network of proselytism, its subsidies, and the flow of immigrant labor that it attracted, the transnational Saudi system insinuated itself into the relationship between state and society in the majority of Muslim countries, by attracting immigrants to the oil-rich states. Around 1975, young men with college degrees, along with experienced professors, artisans, and country people, began to move en

masse from the Sudan, Pakistan, India, Southeast Asia, Egypt, Palestine, Lebanon, and Syria to the Gulf states. These states harbored 1.2 million immigrants in 1975, of whom 60.5 percent were Arabs; this increased to 5.15 million by 1985, with 30.1 percent being Arabs and 43 percent (mostly Muslims) coming from the Indian subcontinent.

The social and economic impact of these migrations to the Gulf states was enormous. In Pakistan in the single year 1983, the money sent home by Gulf emigrants amounted to $3 billion, compared with a total of $735 million given to the nation in foreign aid.[22] Elites in the home countries viewed these oil revenues as a windfall, offering temporary relief for regimes threatened by fast-growing populations. Moreover, immigration lightened the burden of unemployment back home, notably among high school and college graduates, at a crucial moment when the first generation after independence—the offspring of the baby boom, the rural exodus, and mass literacy—were entering the job market, a generation that was otherwise prone to social discontent. By injecting cash into national economies through remittances to their families at home, immigration created new flows of wealth, goods, and services that evaded state control. Finally, immigration ensured rapid upward social mobility for most migrants, who returned home much richer than when they left. The underpaid petty functionary of yore could now drive back to his hometown at the wheel of a foreign car, build himself a house in a residential suburb, and settle down to invest his savings or engage in trade. Moreover, he owed nothing to his home state, where he could never have earned enough to afford such luxuries.

For many of those returning from the El Dorado of oil, social ascent went hand in hand with an intensification of religious practice. In contrast to the bourgeois ladies of the preceding generation, who liked to hear their servants address them as Madame, in the French style, a respectable spouse would now wear a fashionable *hijab* (veil) and her maid would call her *hajja* (the title given to those who perform the pilgrimage to Mecca).[23] Many who had lived in the oil-rich monarchies of the peninsula had grown rich in this Wahhabite milieu—and not surprisingly it was to this milieu that they attributed the spiritual source of their material prosperity.

In the last years of the 1970s and during the next decades, former migrants who followed the religious example of the Saudis became more and more prominent. Some lived in new residential areas around mosques, which were built in what was called the Pakistani "international style," gleaming with marble and green neon lighting. This break with the local Islamic architectural traditions illustrates how Wahhabite doctrine achieved an international dimension in Muslim cities. A civic culture focused on reproducing ways of life that prevailed in the Gulf also surfaced in the form of shopping centers for veiled women, which imitated the malls of Saudi Arabia, where American-style consumerism co-existed with mandatory segregation of the sexes.[14]

Alongside these social changes, inexhaustible funds were now available to promote the *dawa,* or call to Islam, through Wahhabite preaching. The Muslim World League, founded in 1962 as a counterweight to Nasser's propaganda, opened new offices in every area of the world where Muslims lived. The league played a pioneering role in supporting Islamic associations, mosques, and investment plans for the future. In addition, the Saudi ministry for religious affairs printed and distributed millions of Korans free of charge, along with Wahhabite doctrinal texts, among the world's mosques, from the African plains to the rice paddies of Indonesia and the Muslim immigrant high-rise housing projects of European cities. For the first time in fourteen centuries, the same books (as well as cassettes) could be found from one end of the Umma to the other; all came from the same Saudi distribution circuits, as part of an identical corpus. Its very limited number of titles hewed to the same doctrinal line and excluded other currents of thought that had formerly been part of a more pluralistic Islam.

This mass distribution by the conservative Riyadh regime did not always prevent more radical elements from using the texts of the faith to further their own objectives. The author most respected by the Wahhabites, Ibn Taymiyya (1268–1323)—a primary reference for the Sunni Islamist movement—would be abundantly quoted to justify the assassination of Sadat in 1981, for example, and even to condemn the Saudi leadership and call for its overthrow in the mid-1990s.

The Saudis' push for doctrinal uniformity was accompanied by their liberal distribution of money for building mosques. More than 1,500 were built around the world in the last half century, paid for by Saudi public funds.[15] Their proliferation from the mid-1970s onward was one of the most visible changes in the landscape of the rapidly urbanizing Muslim world. Donations from the Gulf states played a leading role in [illegible] but other interested parties soon invested consid-

erable sums of money when it became clear that controlling the crowds assembled in these places of worship, as well as the sermons they heard, was an issue that no power—least of all a state—could afford to ignore.

Tapping the financial circuits of the Gulf to finance a mosque usually began with private initiative. An ad hoc association would prepare a dossier to justify a given investment, usually citing the need felt by locals for a spiritual center. They would then seek a "recommendation" *(tazkiya)* from the local office of the Muslim World League to a generous donor within the kingdom or one of the emirates. This procedure was much criticized over the years, given that in some cases the donated sums were diverted from their original objective.[15] The Saudi leadership's hope was that these new mosques would produce new sympathizers for the Wahhabite persuasion.

As it turned out, their policy was reasonably effective in limiting the devastating effects of the 1979 Iranian revolution on Saudi hegemony over Islam. But it proved powerless a decade later to contain the enthusiasm unleashed in the Muslim world by Saddam Hussein when he denounced the alliance between the Saudi monarchy and the West during the Gulf War. The limits of the kingdom's policy of religious propagation had been reached: its immense financial generosity had won it a following that was more venal than sincere, and the Wahhabization it wished to implement had tended to fluctuate with the price of a barrel of oil. Yet once Saudi Arabia had opted for the propagation of Islam as a tool for gaining influence abroad, it had no choice but to finance all those who claimed to belong to Sunni Islam, and to run the risk of underwriting revolutionary groups that were actively hostile to Riyadh.

In addition to increased migration and the spread of Wahhabite propaganda, a third consequence of the 1973 war was a shift in the balance of power among Muslim states toward the oil-producing countries. Under Saudi influence, the notion of a worldwide "Islamic domain of shared meaning" transcending the nationalist divisions among Arabs, Turks, Africans, and Asians was created.[17] All Muslims were offered a new identity that emphasized their religious commonality while downplaying differences of language, ethnicity, and nationality. This proposition did not necessarily correspond to any kind of demand on the part of the people to whom it was presented. It often stimulated such a demand, however, when it appeared to promise some kind of upward social mobility, political progress, or economic advantage; and at the very least it supplied a set of stable guidelines for behavior during a decade when Islam was buffeted by the combined effects of population expansion, rural exodus, international migration, mass education, and rapid urbanization.

The beginnings of the "Islamic domain of shared meaning" go back to a time when Arab nationalism was in deep crisis. In September 1969 an Islamic summit was held at Rabat after an extremist from Australia had tried to burn down the Al-Aqsa Mosque on the Temple Mount in Jerusalem, which Israel had occupied for two years. This incident in the ongoing Israeli-Arab conflict was taken as an attack on Islam in general and hence a pretext to mobilize all Muslim states, not merely Arab ones. The creation of the Organization of the Islamic Conference (OIC) quickly followed. From a full complement of 29 at its founding, the OIC's membership increased to 55 by the time of its eighth summit in Tehran in November 1997.[18] The installation of an OIC general secretariat in Jeddah, Saudi Arabia, demonstrated the strong Saudi commitment to an organization whose charter explicitly stated among its purposes promoting Islamic solidarity between member states, consolidating their cooperation in all areas, and, most notably, "co-ordinating all efforts to protect the Holy Places, supporting the struggle of the Palestinian people to recover their rights and liberate their land, and . . . strengthening the combat of all the Muslim peoples, so as to safeguard their dignity, their independence and their national rights."

The impact of the OIC on world history has remained slight, largely because of political divisions among its members and nonpayment of dues except by the oil states and Malaysia. Nevertheless, it has served as a forum for identifying causes, such as that of the Palestinians, and giving them an Islamic rather than nationalist slant. In 1974 the PLO was admitted as a member state of the OIC; in 1979 Egypt was excluded for making peace with Israel; and in 1980 Afghanistan suffered the same fate for passing under Soviet control. In each of these cases (and in the critical positions adopted toward Iran during the 1980s), the OIC gave an institutional gloss of consensus to the views of Saudi Arabia. In December 1973, when oil prices were at their peak, the OIC made the decision to create the Islamic Development Bank, with headquarters in Jeddah. The bank became operational in 1975 and proceeded to finance development projects in the poorest Muslim countries, mostly using funds from the Gulf nations within the framework of the Islamic banking system (see below).[19]

In addition to the formal framework of the OIC, one of the principal vectors of Saudi influence was control of the pilgrimage to Mecca, a rite symbolic of the unity of the Community of the Faithful throughout the world. The *hajj*, or pilgrimage, offered the promise of salvation to all devout Muslims; yet prior to the advent of modern air travel, it had remained a difficult undertaking that was rarely accomplished by the vast majority of the faithful. In former times, the hajj conferred incomparable prestige on the fortunate few. Ordinary folk had to be content with lesser pilgrimages to the tombs of saints scattered around the Muslim world.

In 1924–25, after expelling the Hashemite dynasty, King Abd al-Aziz ibn Saud finally took control of the holy cities Mecca and Medina. Immediately, the Wahhabites smashed the tombs of the imams—especially of Fatima, the daughter of the Prophet, whose veneration by the Shiites they condemned as idolatry—and then reorganized the hajj according to their own lights. King Saud's first act was to make the pilgrimage more attractive to pilgrims—as they supplied his kingdom with the bulk of its revenue before oil money changed everything. In 1926, 90,000 pilgrims visited Mecca; by 1979 the figure had reached 2 million, and since that time it has stabilized between 1.5 million and 2 million per year.[20] Vast numbers of Muslims from all over the world now realize their dream of the hajj.

In 1986 the king took the title of Custodian of the Two Holy Places, the better to emphasize Wahhabite control of the greatest and most sacred annual assembly of Muslims on earth. This control operated as an essential instrument of hegemony over Islam. It had been and still was violently opposed, first by Saudi dissidents who attacked the Grand Mosque at Mecca in November 1979, at the dawn of the fifteenth century of the Hegira, and second by Khomeinist Iran, which contrived to turn several pilgrimages into violent demonstrations.[21] Finally, it was strongly contested by Saddam Hussein and all the other radical opponents of the Saudi regime, following the Gulf War of 1990–91.

The Role of Banking and Finance

As a dynastic and tribal regime, within which birth and lineage were a precondition of access to oil wealth and power after 1973, the Saudi system was wide open to attack from social groups who did not happen to be "well born." Among Islamists who were out of favor with the rulers in Riyadh, the Saudi princes were painted as lazy, incompetent hypocrites, wallowing in luxury, debauchery, alcohol, pornography, and all manner of immoral behavior abhorred by religion. This classic bourgeois reproach to the high-living aristocrat is common to every society—with the difference that the ultimate moral reference here was the Koran.

The Islamic financial system constituted an important link between the tribal aristocracy of the Arabian peninsula, which controlled Allah's "gift" of oil revenues, and the devout middle class of the Muslim world. It allowed the two to associate in an economic partnership, while paying mutual lip service to piety. This buttressed both the Saudis' leadership of the Community of the Faithful and the political position of the devout bourgeoisie in each individual Muslim state, while binding them to the Wahhabite monarchy. With emphasis on charity and social work through collection and distribution of zakat (alms) and its financing of small businesses, farmers, and shopkeepers who otherwise would have no access to conventional banking systems, the Islamic banking and finance system deliberately set out to promote social cohesion and integration.[22]

Doctrinally, Islamic finance had one basic principle, the prohibition of fixed interest rates, which was condemned by the Koran as usury *(riba)*. The ulemas were unanimous in condemning usury as a crime more terrible than fornication with one's own mother, but they reached no hard-and-fast consensus on the similarity between usurious practice and lending at fixed interest rates.[23] Several fatwas issued by eminent religious dignitaries made a distinction between the two terms, making it all right for good Muslims to engage in conventional banking operations under certain conditions, since the prohibition of interest rates was actually founded on other philosophical considerations. For example, by agreeing on a predetermined rate of interest, lender and borrower could protect themselves against future uncertainties, thereby giving themselves a hedge against the supremacy of the divine will, as expressed in the Arabic saying "insha Allah," God willing. A similar regulation in the insurance business prohibited insuring against the future risk of an accident or disaster that God might choose to visit upon us.[24]

Since modern economies function on the basis of interest rates and

insurance as preconditions for productive investment, many Islamic jurists racked their brains to find ways of resorting to them without appearing to bend the rules laid down by the Koran.[25] The problem loomed ever larger as more and more Muslim states entered the world economy in the 1960s. They clamored for fatwas that would allow them to attract the savings of the faithful, who lived in terror that the acceptance of profits derived from fixed-rate investments would send them straight to hell.[26] This loose approach prevailed throughout the Muslim world until the 1970s, at which time the total ban on lending with interest was reactivated, in tandem with a general re-Islamization in the cultural and political domains. Technically, this "strict" Islamic financial system rested on a single basic principle: fixed rates of interest being prohibited, the profit or loss incurred by an investment had to be a function of the risks run.[27] The enforcement of this prohibition was ensured, in an age of international banking systems, by a watchdog committee of ulemas (the sharia board). This committee verified the legality of operations, canceled those that were tainted with usury, and applied their funds to pious endeavors such as those of the Islamist humanitarian organizations.

The leading theorist of Islamist finance was the Iraqi Shiite Ayatollah Baqir as-Sadr (who was killed in April 1980 by Saddam Hussein's regime).[28] His book *Our Economy (Iqtissaduna)*, published in 1961, advocated an economic system exclusively based on the principles of Islam. At that time the Muslim countries were either integrated into world capitalism or else were participants in the Soviet-sponsored socialist system without subscribing to any particular economic theory. According to as-Sadr, the Islamic economy was part and parcel of the kind of Islamic state he advocated, in the political footsteps of Sayyid Qutb and Khomeini: in other words, he saw it as a clean break with the economics of the non-Muslim world. But just as in politics, the implementation of this economic idea had to be put off until objective conditions were favorable—and this did not happen until 1973, when the tidal wave of petro-dollars changed the entire waterfront.

Another economist, the Egyptian Ahmad al-Naggar, tried a nonideological experiment aimed at finding a way of mobilizing the cash savings of people who had no confidence in state-run banks. In 1963 he created a rural savings bank at Mit Ghamr in the Nile delta, which applied Islamic economic principles without specifically advertising the fact, for fear of Nasser. Instead, Naggar emphasized the social character of his enterprise: by circumventing rates of interest, he appealed to a broad spectrum of small savers who had hitherto remained outside the official nationalized banking system, successfully attracting their money and financing projects which allowed some of them to climb the ladder of society. The poorest investors were given interest-free loans (*qard hassan*) based on their own non-interest-bearing deposits in current accounts. More substantial depositors looking to invest were allowed to share in the profits or losses of the businesses financed by the savings bank.[29] Finally, the bank established a zakat fund that accounted for 2.5 percent of its capital and was used as alms for the needy.[30] This experiment was closed down by Egypt in 1968, in spite of the large sums it had collected, on the pretext of management problems. It is still referred to today by Islamic bankers when they want to advertise their social and proletarian credentials.

Contemporary Islamic finance really took off after the war of October 1973, with the recycling through the banking system of the petrodollar windfall.[31] In succeeding years, the expatriates who came to work in the oil-exporting countries found themselves with an abundance of cash. This new, transnational Muslim middle class, which had been drawn to the faith at the same time that they were growing wealthy in the monarchies of the Gulf, now sought a model investment for their savings that would shelter them from confiscations, nationalizations, and other machinations they had reason to believe were practiced by the official banks of their own countries—especially when those banks were controlled by the government. Many also wished to make substantial profits from their investments and even to take risks, once their private needs were taken care of. In fact, they were more than ready to support a private banking system that transcended borders and corresponded to their own social identity, now expanded to include both their native countries and the countries in which they had earned their newfound wealth. Islamic banks responded well to this unprecedented demand, and they ultimately played an important role in consolidating the new social group constituted by their depositors, while creating a devout middle class that was loyal to Saudi interests because it was dependent on them.

The Islamic financial system had two spheres that were perfectly distinct from one another, even though they shared the same basic

logic. The first sphere supplied a mechanism for the partial redistribution of oil revenues among the member states of the OIC by way of the Islamic Development Bank, which opened for business in 1975. This strengthened Islamic cohesion—and increased dependence—between the poorer member nations of Africa and Asia and the wealthy oil-exporting countries.[32] The second sphere was the exclusive domain of private investors and depositors. After a few experiments in Egypt, this resulted in the creation of Islamic commercial banks, which began to appear in July 1975. Another threshold was reached with the creation of transnational holding companies: DMI (Dar al-Mal al-Islami: the House of Islamic Finance), whose foundation was announced in June 1981 by Prince Mohammed al-Faisal al-Saud, son of the assassinated King Faisal, and the Al Baraka (Divine Blessing) group, established in 1982 by a Saudi billionaire, Sheik Salih Abdallah Kamil. In addition to their banking activities, these companies specialized in investment funds; and the 1980s, which saw a major expansion in the Islamic financial system, also witnessed a huge diversification of its investment instruments.

In Pakistan, Malaysia, and Jordan, and even in states as secular as Turkey and Tunisia, Islamic banks, often accompanied by highly favorable fiscal incentives, began springing up everywhere in the 1980s.[33] In three countries, Pakistan, Iran, and Sudan, the banks were summarily "Islamized" by the state, and in Iran they have remained nationalized ever since. Elsewhere, the initiatives mostly came from the private sector. By 1995, there were 144 Islamic financial institutions worldwide, including 33 government-run banks, 40 private banks, and 71 investment companies.[34]

The stakes in this process were both national and international in significance. For Saudi Arabia and the political-financial markets of the Gulf oil monarchies, the banks provided an opportunity to tighten their links with the local devout middle class in all these countries. For other states, the interest lay in attracting those same classes and keeping them out of radical Islamist movements. As for the radical Islamists, they saw a golden opportunity to establish a war chest outside the control of the established regimes and use it to finance their overthrow. The interaction between finance and militant religion played an especially important role in Egypt and the Sudan, as we will see. Thus, banks became one of the most important factors in the Islamist expansion of the 1980s, because the political attitude of the devout middle class hinged on what became of them.

The middle class tended to adopt different attitudes according to the circumstances prevailing in each country, but in general it used the emergence of the banking system to promote its interest as a new social and cultural entity with a voice of its own. All this led to heightened visibility and respectability for the Islamist cause, which became significantly more middle class in aspect as the 1980s went on. It remained to be seen whether the new bourgeoisie would sacrifice its financial interests to militant zeal, if forced to choose between the two.

CHAPTER 4

Islamism in Egypt, Malaysia, and Pakistan

While Saudi Arabia was consolidating its grip on the Umma after 1973, Islamist movements were beginning to gather strength in most other Muslim countries. The three most powerful Sunni groups were to be found in Egypt, Malaysia, and Pakistan, but their effects were strikingly different. They were at their most militant in the Nile Valley, where Sadat himself died at their hands. Nevertheless, the militants ultimately failed to seize power and set up an Islamic state in Egypt or in the other two nations.[1]

During the summer preceding the October war of 1973, the Gamaat Islamiya (Islamic Associations) suddenly came to life in student circles, on the occasion of the first summer camps organized for their members. Militants and sympathizers attending these camps were initiated into the "pure Islamic life"—which involved regular daily prayers, ideological training, an apprenticeship in the skills of the preacher and the tactics of proselytism, socializing within the group, and more. A skeleton network of cadres was planned that would eventually make the associations the dominant Islamic voice in the universities of the Arab world. In 1977, the associations won a majority in the Egyptian Students' Union, whose procedures had been democratized by Sadat in 1974 at a time when he was convinced that a leftist threat no longer existed.

The success of the associations was due mainly to their offer of an "Islamic solution" to the social crisis that was affecting Egyptian universities at the time. In the 1970s, the numbers of Egyptian stu-