



# Book Forces of Fortune

## The Rise of the New Muslim Middle Class and What It Will Mean for Our World

Vali Nasr  
Free Press, 2009

### Recommendation

Since September 11, 2001, the media has saturated Westerners with information about radical Islam. Many people view Islam as a monolithically fundamentalist creed whose followers hate the West. International politics professor Vali Nasr addresses this misconception, explaining that the members of the expanding Muslim middle class, notably in Iran, Pakistan, Turkey and Dubai (as seen before its economic woes), want many of the same things that Westerners want, but within an Islamic framework. Readers may find this unexpected, but Nasr makes the journey understandable by serving as economist, investigator and tour guide. *BooksInShort*, which recommends books but takes no stand on politics or religion (the opinions in the summary are those of the book's author), suggests his solid analysis particularly to those interested in these four breaking-news countries. While Nasr thinks religious extremism has peaked, he believes Islam is not yet ready for Western-type religious reform, though he sees that as a potential future path. He predicts that religious moderation will slowly evolve to trump fundamentalism, but that change must come from within the Muslim community.

### Take-Aways

- Islamic fundamentalism remains a prevalent, violent force in many Muslim nations, but its power has peaked and it does not abet national development or prosperity.
- Economic growth is fostering a growing Muslim middle class, the “critical middle,” especially in Iran, Pakistan, Turkey and Dubai.
- This group can produce political change but still seeks religious traditionalism. Many people balance modernity with traditional Islam, as “an anchor in changing times.”
- More Islamic nations are pairing consumerism with their Muslim beliefs.
- Given a choice, Muslims vote for candidates who support jobs, security, public services and fiscal growth.
- Muslims will view Western support for Islamic reform as subverting their religion.
- Westerners must see the distinctions among fundamentalists.
- Fundamentalist groups have helped people when secular governments have not.
- Estimates say that Islamic financial institutions will soon hold \$1 trillion in assets.
- Historically, when military forces assume power in a postcolonial society, they “scorn” democracy. That pattern has repeated itself often, most recently in Pakistan.

### Summary

#### The Force of Fundamentalism

Two milestone dates mark the growth of Islamic fundamentalism: Ayatollah Khomeini’s return to Iran in 1979 and the assassination of Egyptian President Anwar Sadat in 1981. Since then, Islamic fundamentalism has become a violent, prevalent force in many Muslim nations. In response, many Western nations, especially the U.S., have prioritized the fight against terrorism and Islamic fundamentalism. Terrorism has led to a cold-war mentality, reducing policy analysis to binary decisions asking whether an action promotes or deters the expansion of fundamentalism.

“We will do ourselves a disservice if we think of our future with the Muslim world only in terms of today’s conflicts.”

This view, which dominates U.S. policies, ignores events in Muslim societies that point in a different direction. The West doesn't seem to realize that even if Iran had nuclear capability, it would not become a regional power. Iran's gross domestic product is about the same as Massachusetts', its military budget is less than one-third of Saudi Arabia's and it is very "isolated." Iran's nuclear program has two goals, both intended to forestall any attempts to change the current regime. The first is to "improve its military." The second is to distract Western nations and activist Iranians from the nation's deep-rooted economic problems stemming from its "corrupt and inefficient" state-run bureaucracy.

"The distinctive blending of Islamic values and economic vitality is a crucial development in the Muslim world that should shape our approach to building better relations with the region."

India and Pakistan took similar development paths in the '70s, but only India became a great regional power, due to its "economic growth rate, newfound friendliness to free markets and ability to integrate into the global economy." Islamic fundamentalism alone cannot fuel such national economic development. But, free markets and a growing middle class, especially in Iran, Pakistan, Turkey and Dubai, can trump radical fundamentalism and offer the higher living standard many Muslims seek. This "liberalization through capitalism" process pairs consumerism and free markets with traditional beliefs and a better lifestyle. The West should "fuel" the new Islamic middle class's potential" and not let "the chimerical power of fundamentalism" dominate.

"Economics has more to do with determining the pecking order in the Middle East than the region's miasmic tumult of feuds, wars and saber rattlings would lead one to believe."

As more Muslims invest according to "Shariah" law, they will reshape the global financial industry. Persian Gulf monarchies, including Saudi Arabia, Oman, Qatar, Kuwait and the United Arab Emirates (UAE), posted more than \$1.5 trillion in oil and gas exports from 2001 to 2007. This may reach \$9 trillion by 2020. Other forecasts say that Islamic financial institutions soon will hold more than \$1 trillion in assets, and GDP is on the rise in Muslim nations. The annual rate of increase in 2007 was 6.1% in Indonesia, Malaysia and the Persian Gulf. While somewhat lower in Egypt, Pakistan and Turkey, it still exceeded the 2.2% growth in the U.S. and Europe that year. Muslims participate in the global economy and embrace modernity while following traditional religious practice. Such trends indicate that the middle class will continue to grow.

## The Dubai Story

Dubai is one of the seven members of the UAE. Its GDP expanded 267% between 1995 and 2008. In 2007, even on the cusp of the recession, Dubai had an 11% growth rate. It undertook the region's most frenzied building expansion as oil exports declined. It also expanded its service industries, which contribute more than 80% of its GDP. This crucial trading hub combines Muslim lifestyles with capitalism. It invested billions in Citigroup and Barclays Bank and owns 20% of Nasdaq. Dubai uses public-private investment partnerships to create government-financed conglomerates based on capitalism, not nationalized businesses. This structure is radically different from those in Egypt, Syria, Iran and other Muslim nations that favor state ownership, high taxes and heavy regulation, including restrictions on foreign investors. Dubai, which admits foreign corporations, had prospered by streamlining its bureaucracy and reducing regulation.

## Revisiting Fundamentalism

Westerners err when they fail to distinguish between various strains of Islamic fundamentalism. As a broad religious swath, it is quite different from the move toward conservative Islam now growing in Pakistan, Turkey, the Persian Gulf and Egypt. Fundamentalists believe Muslims should live in Islamic states in order to achieve their higher spiritual goals, including piety and attainment of heaven. They concur that Shariah law should govern an Islamic state, but they do not agree on how to implement it or on how an ideal Islamic state should operate. Modernity, rationalism and fundamentalism are not necessarily mutually exclusive. For example, none of the 9/11 hijackers had a traditional Islamic education; some were science and engineering students who had lived in the West. After 9/11, some clerics, such as Iraqi Shia leader Ayatollah Sayyid Ali al-Sistani, promoted social activism and downplayed violence. Merchants in Iraq and Algeria have backed less radical leaders to promote social stability and a secure business environment.

"The great battle for the soul of Iran – and for the soul of the region as a whole – will be fought not over religion but over business and capitalism."

Westerners who don't distinguish among fundamentalist groups miss many political openings. Western nations have supported inept or corrupt secular governments. When those governments fail, fundamentalist clerics or groups fill the void. For instance, when an earthquake hit Cairo in 1992, the bureaucratic Egyptian government was ineffectual in leading the relief effort, so the Muslim Brotherhood took the lead. Such stories emerged in Turkey in 1999 and Pakistan in 2005. Poverty and fundamentalism are not necessarily connected. A Gallup poll in Muslim nations found that many fundamentalists get more education, make better salaries and hold more responsible positions than do "self-described moderates." The Muslim masses and the middle class care more about responsive government and social services than about radical fundamentalism or jihad. In 2008, Pakistani fundamentalists won only 2% of the vote. Turkey's AKP Party had strong gains after advocating honest, responsive government that elevated leadership over religion. Given a choice, Muslim voters elect Muslim candidates who support "jobs, public services and economic growth."

## Islam and Pluralism

After World War I, Reza Shah Pahlavi and Mustafa Kemal Ataturk tried to remake Iran and Turkey respectively into European-style secular states. Both efforts failed over time, due to political mistakes, corruption, patronage, repression, mismanagement and the slow emergence of middle class opposition. Yet Iran's middle-class businesspeople and academics faced grave danger after the 1979 Islamic Revolution. This "made an enormous impression on their [Muslim] counterparts." Later, the region's "secular middle class" mostly avoided aligning with "Islamic forces." Ultimately, the Islamic Revolution did not spread widely and "secular states survived."

"We fear Iran's ruling clerics and their designs for the Middle East, and rightly so."

Now the Muslim middle class is becoming more pluralistic, as seen in its ongoing conversations about women's rights, economics, democracy and new interpretations of Islamic teachings. These discussions occur in movies, blogs, books, TV programs and even in sermons by a new breed of Muslim televangelists. The advent of these new sources of religious instruction outside traditional mosques is a major development, especially in the matter of issuing fatwas – clerical decrees with the weight of

religious legal interpretations. Now, media-savvy clerics issue religious rulings via websites or phone calls and interpret Islamic laws to be more responsive to modern demands.

“Fundamentalism and extremism speak to the Muslim world’s deep-seated yearning for change.”

Such modernization is not the same as religious reform. In fact, the rise of the middle class has fostered a need for traditionalism as an anchor in changing times. The West should not push for Islamic reform, since Muslims would see that as an effort to subvert their religion. Instead, world powers should encourage Islam to undergo a transformation like the one that helped modernize Catholicism in the 1990s. This is happening as modern clerics encourage people to read the Koran and form their own opinions, rather than relying on politically inspired religious leaders. Women are pivotal in this reform.

“Most countries have a military; in Pakistan, the military has a country.”

Young people have adopted the Internet and Western leisure activities and music, but that does not indicate a growing liberal movement in Islam, though young people make up the majority of adherents in many countries. More than 50% of the 300 million inhabitants of the Middle East are younger than 25. Modern youth tend to remain “pious,” even when they rebel against “the yoke of clerical rule.” And millions of young people join fundamentalist, anti-democracy paramilitary groups.

## Pakistan’s House of Mirrors

For about 60 years, the U.S.’s Middle East policy has supported authoritarian regimes. This has produced corrupt nations governed by military forces that have fostered sectarian and ethnic strife. In June 2005, then-U.S. Secretary of State Condoleezza Rice said U.S. foreign policy was changing; it would promote prodemocracy governments and disavow secular dictatorships. Yet the U.S. continued to support Pakistani dictator Pervez Musharraf, who vowed to fight Afghanistan’s Taliban. Musharraf liberalized the media and promoted banking as consumer spending grew. He endorsed Ataturk’s policies, including prioritizing secular society above traditional Islam. He consolidated his military and political power, and pushed for judicial control and election reform. But in 2008, he stepped down in the face of rebellion and upheaval. Historically, when a military force assumes power in a postcolonial society, it disdains democracy and human rights. Pakistan was no exception. After Musharraf left, the military emerged to restore order, igniting a cycle of manipulation and corruption, and moving to control a weak, temporary civilian regime even as people demanded elections.

“Fundamentalism is...a peculiar call to modernism, one that wants to rely on bureaucratic and legal structures to bring about the fruits of modernity, but that wants modernity without secularism.”

Pakistan’s rivalry with India is a primary reason for its downward political spiral. Pakistan has opposed India since its traumatic partition in 1947. This huge social upheaval separated Muslims from Hindus, creating Pakistan as a polyglot Muslim state including “Bengalis, Punjabis, Pashtuns, Sindhis and Baluchis.” Pakistan was always hard to govern, but its ethnic groups agreed on the need to confront India and to control disputed Kashmir.

“There is very little in the way of liberalizing reform going on in the Muslim world today.”

In 1994, to prevent Afghani Pashtuns from reclaiming border territory and to counteract Indian influence, Pakistan began supporting a separate, mostly Pashtun group: the “puritanical” Taliban, which strengthened with the support of the poor. Pakistan let the Taliban build bases in its mountainous northwest so they could establish a republic in north Afghanistan. The Taliban gained power and supported Pakistan.

“It is too soon to conclude that fundamentalist parties will all moderate and happily coexist with democracy.”

Until 2004, Pakistan nurtured the jihadist al-Qaeda on its border. Al-Qaeda gained a stronger grip, eventually fomenting a crisis in Pakistan in 2007 when thousands of guerillas attacked targets in Islamabad. From March 2007 to January 2008, Pakistanis rebelled against Musharraf’s militarism and his support of Islamic fundamentalists. By early 2008, Pakistan ousted Musharraf. The newly elected government has been no match for the military, and the “economy has begun to unravel.” Pakistan earned \$267 million from tourism in 2007 and nearly nothing in 2008.

## The Struggle in Turkey

Turkey now balances the national secular model of Kemalism against the fundamentalist-leaning Adalet ve Kalkinma Partisi (the Justice and Development party, called the AKP). Tensions may mount, but Turkey will not become another Iran because it has embraced economic market reforms and it has an entrepreneurial middle class. Turkey’s planned admission into the European Union requires it to hold elections, reduce its military and improve its human rights practices. Turkey’s modern secular development never penetrated below the upper classes or those with university educations. When the military liberalized Islamic practices in the early 1980s, a variety of religious groups became popular. Turkey remains a Muslim state where observant practitioners seek economic development, political pluralism, globalization and liberal economic policies.

“The great transformation in the Middle East is just beginning, but...all great transformations start small, and they are driven by trends that are little noticed before they gather full steam.”

Under Prime Minister Turgut Ozal, Turkey promoted exports, legalized Islamic banking, removed protective tariffs and pushed for a market economy. By 2002, the AKP had become Turkey’s governing party. From 2002 to 2007, GDP tripled and exports soared from \$30 billion to \$125 billion. Turkish voters accepted the AKP because it promotes pro-European, procapitalist, prodemocracy messages. Turkey faces challenges, but it is on the way to becoming a large Muslim capitalist democracy. The West should encourage its growth.

## About the Author

Tufts University professor **Vali Nasr** is an adjunct senior fellow at the Council on Foreign Relations and a senior fellow for the Dubai Initiative at Harvard University. The author of *The Shia Revival*, *Democracy in Iran* and *Islamic Leviathan*, he writes for major U.S. newspapers.

