

# Symposium—Islamism, Islamist Parties, and Economic Policy-Making in the Neo-Liberal Age

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**Abstract:** This article introduces the symposium on the relationship between Islamist and Salafi parties and neo-liberal economics. Through a mix of analyses of the party manifestos and ethnographic work, this symposium unveils how Islamist and Salafi parties across the Arab world and abroad have thought about the economy, how they attempted to incorporate the Islamic economy into their discourses and practices and how they have ultimately dealt with the current economic doctrine of neo-liberalism whether in power or opposition.

“When it comes to money, everyone follows the same religion”

—Voltaire

## INTRODUCTION

The Arab uprisings did come as a surprise to the vast majority of scholars and policy-makers (Gause 2011), but the seeds for the revolts had been sown over decades and are largely rooted in growing socio-economic inequalities (Teti et al. 2018). Although Arab economies performed reasonably well during the last two decades when one focuses on macroeconomic indicators such as GDP growth or increase in foreign direct investments, this did not translate into redistribution of wealth, greater social welfare, or better employment opportunities. In fact, there is a

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considerable degree of scholarly consensus that the 2011 revolts were the product of two interlinked factors: economic inequalities and widespread public and private corruption (Chomiak and Entelis 2012; Achcar 2013). The socio-economic roots of the uprisings should not for their part be a surprise because the literature on the political economy of the Arab world had already pointed out how the neo-liberal economic reforms Arab countries had implemented during the 1990s and 2000s contributed to increase the divide between the many have-nots and the very few haves (Dillman 2001; Heydemann 2004; Haddad 2011). In this context of growing economic inequalities and retreat of the state from welfare delivery, Islamists and Salafis built a powerful network of charities that contributed in part to relieve citizens of their most pressing socio-economic needs, undermining the authority of the state in the meantime (Woltering 2002; Amghar 2013). Although it is true that Islamist socio-economic engagement in the delivery of welfare is not necessarily instrumentally employed to increase political support (Clark 2004), it is not surprising that post-revolutionary politics in Tunisia, Egypt, and Morocco rewarded Islamist and Salafi parties with considerable electoral gains. As Masoud (2014) argues, the Muslim Brotherhood in Egypt was brought to power because voters trusted the party to deal with the economic challenges the country faced. The same was true in Tunisia where Ennahda won the October 2011 elections in part because it was perceived to be offering a Turkish-style model of economic development. The Moroccan Party for Justice and Development (PJD) projected an image of economic competence as well. In short, Islamist and Salafi parties built much of their success—directly and indirectly—on the belief that they would be much more competent in running the economy and, crucially, that they would ensure much greater socio-economic equality (Amghar 2011). This however did not turn out to be the case.

Although there are certainly external reasons as to why Islamists in power failed to deliver the economic goods citizens expected (Hanieh 2015; Letourneau 2018), it is also important to underline the profound contradictions of the economic message Islamists and Salafis have put forth since coming on the scene in the 1970s. Through a mix of analyses of the party manifestos and ethnographic work, the contributors to this symposium unveil how Islamist and Salafi parties across the Arab world have thought about the economy, how they attempted to incorporate the Islamic economy into their discourses and practices and how they have ultimately dealt with the dominant economic doctrine of neo-liberalism.

## ISLAMIST ACTIVISM AND THE ECONOMY

Thinking about the relationship between Islam and economics dates back centuries and it did not originate with thinkers like al-Banna, Qutb, and Mawdudi. However it cannot be denied that these ideologues had a profound impact on the emergence of Islamic economics in the 20th century. They engaged in considerable theoretical reflections about the nature of Islamic economics and they conceived it as being fundamentally opposed to both capitalism and communism, although they tended to consider Islamic economics as more collectivist. In any case and in conformity with their totalizing vision of a religion that covers all aspects of human life, Islam contains for them all the economic solutions a society needs. The key legal elements of Islamic economics are the banning of usury, the use of *zakat*, the ethics traders must possess and the inalienable right to private property (Amghar and Boubekeur 2007). A tension is then already clear in the early days of Islamic economics between the socialist and capitalist tenets that Islamic economics should be able to reconcile. Since their emergence as powerful political actors in the 1970s, Islamists, and to a much lesser extent Salafis, have attempted to provide an economic vision that would go beyond both communism and capitalism, but they have largely been unable to offer a coherent and viable economic doctrine. As a result, the types of Islamic economics-based solutions that they have over time offered have been largely contradictory and problematic. In her contribution, Sarah Tobin for instance highlights some of the contradictory stances of the Jordanian Islamist party (IAF) on the issue of Islamic financial products.

There are three phases that can be identified in the development of economic thinking on the part of Islamist ideologues and activists. In the first phase, during the 1970s and early 1980s, political Islam had a clear Marxist dimension whereby the struggle in favor of the disenfranchised should accompany the mission of religious education to generate a new Islamic Man. The Iranian revolution, with its emphasis on the central political role of the left-behind, was in some ways the apex of an economic vision with Marxist undertones that many Sunni ideologues also embraced. In that context, the influence of the writings of the Iranian sociologist Ali Shari'ati with his critique of the western economic system should not be underestimated and he argued against a capitalist civilization that considered men simply as goods. It should be pointed out though that Shari'ati was not a Marxist insofar as he believed that Islam was genuinely revolutionary and more useful than Marxism to contribute to the political

and economic liberation of the developing world (Behdad 1994). Qutb (1949) himself had already written extensively about the necessity to found an economic system that diverged from capitalism, but that would also not fall into communism. This new system would deliver both social justice and economic growth, which were perceived to be inseparable because they would be both infused with the morality that adhering to religious precepts provides. He insisted on the idea of social justice as inherent to Islam and *zakat* represented perfectly the instrument through which justice could be achieved. In his writings, Qutb encourages individuals to carry out economic activities and to invest because the creation of wealth is beneficial to society, as it will be redistributed through *zakat* to ensure welfare and justice. Hassan al-Banna (2005) had already begun to develop a specific vision of capitalism whereby those who could should indeed make money and he stated that “honest money is the engine of life”. He also defended the principle of private property. Although these early thinkers meant to go beyond both capitalism and socialism, other intellectuals close to the Muslim Brotherhood such Muhammad al Ghazali, Abdelkader al-Awda, and Mustapha Siba’i provided a more direct intellectual connection between Islamism and socialism. In his *Socialism in Islam*, Mustapha Siba’i (2001) states:

“socialism is not just a passing fad, it is a human tendency which expresses the teachings of the Prophet.... People in today’s world—especially people in the developing world—are trying to implement it effectively in order to finally eliminate social injustices and class inequalities ... The goal of socialism has always been to prevent individuals with capital from exploiting the brutalised and impoverished masses, to place the State in a position to control and manage individual economic activity, and to finally have social solidarity between citizens in order to eliminate poverty, frustration and unequal and excessive wealth.”

Islamist parties and movements across the Arab world subscribed to economic socialist ideas well into the early 1980s, although their economic positions were never tested in power. During the early decades after independence, Arab nationalism had its own version of socialism and Islamists were marginalized in the process of nation and state building. When Arab nationalism and the socialist option began to show their socio-economic and political failings, Islamism gained ground at the social level, but not at the political one. In fact the story of Islamism throughout the 1980s, 1990s, and 2000s has largely been one of repression, political

marginalization, and co-optation. It is during these years that the retreat of the state from the economy, in line with the new neo-liberal agenda that international financial institutions promoted, allowed Islamists to expand their welfare delivery programs and seemingly demonstrate their commitment to social and economic justice. By the 1990s the socialist nature of the Islamists economic project though had waned for two reasons.

First Islamist movements became uniquely preoccupied with seizing state power and neglected issues that they considered peripheral such as the economy. Very little systematic and coherent economic thinking came out of Islamist circles during the 1980s and 1990s and there was little attempt to renew how socio-economic justice would be achieved in a rapidly changing and increasingly integrated global economy. In her contribution Maryam Ben Salem argues convincingly for instance that Tunisian Islamists had embraced the Marxist rhetoric because it allowed the movement to compete with the left, but they had no real commitment to socialist ideas *per se*. When the wind changed and socialist economic ideas became discredited, leading to the collapse of the left, they quickly embraced market capitalism to compete with the elites in power. They were able to justify their turn-around by employing the work of early Islamist thinkers like Qutb and al-Banna.

Second, the fall of the Soviet Union and the ideological defeat of socialism signaled that those parties and movements that still clung to economic ideas alternative to a triumphant capitalism in a neo-liberal guise were headed for obscurity.

The second phase of Islamist economic thinking began in the mid-1980s and continued throughout the 1990s and 2000s. It can be described as the phase of the capitalist volte-face. This phase is articulated around the spirit of capitalism and, notably, economic performance and competition. As mentioned, Islamists had always recognized the central role of private property and it was therefore “easy” to abandon socialist policy proposals in favor of the recognition that the capitalist mode of production—even in its neoliberal guise—could deliver economic success. The spirit of capitalism was then suitably invested with religious justifications and precepts to deliver what can be called an “ideology–theology.” From the Turkish AKP to the PJD in Morocco and from Tajik Islamists to Egyptian Islamist telly-preachers, Islamists began to promote a type of economic thinking and policies that went beyond the mere recognition of private property as fundamental right that was religiously sanctioned. They all promoted policies that would see the opening up of domestic markets to globalization, the ramping up of privatizations, and emphasized

that many of the tasks that the state bureaucracy had taken on, including the delivery of welfare programs and the creation of jobs in the public sector, could be delegated to civil society institutions, notably private religious foundations and entities that would cater to the deserving poor. The very notion of charity is connected to what Atia (2013) labels “pious neo-liberalism.” In fact, one of the main Islamist objectives since the capitalist turn has been to argue against the welfare state. This neo-liberal orientation strengthened the middle-class constituency within Islamist movements (Amghar 2011). Al-Anani’s contribution to this symposium on the Egyptian Muslim Brotherhood outlines how the Brothers conceive of how social welfare should be thought of and delivered. Armed with a neo-liberal economic project—“market Islam,” as Haenni (2005) brilliantly put it—and a social one based on charity—not redistribution of wealth through state mechanisms—Islamists criticized the poor performance of Arab authoritarian governments in power. Their criticism though was not aimed at the neoliberal policies that authoritarian governments had pursued for decades and that had led to increasing socio-economic inequalities. For Islamists, the policies that were suggested to improve economic performance were the correct ones and their failure resided on who was charged with implementing them. The “networks of privilege” (Heydemann 2004) that surrounded the implementation of neo-liberalism in authoritarian countries were to blame for poor economic performances because they were nepotistic and corrupt. In short, the implementers—state officials, businessmen, and bureaucrats—were amoral and unethical because they did not adhere to correct religious precepts and values. If Islamists were in power, they would be moral and ethical and therefore economic reforms would be successful because the ethics of Islam would pervade economic activities. In their contribution on Salafi parties, Cavatorta, and Resta find that the ethical aspect is dominant in Salafi thinking to the detriment of specific policy solutions and a coherent economic vision.

This increasing focus on the economy was in part the result of Islamists’ inability to reach political power; economic success could stand in as evidence of the superiority of the religious message over the others (Feillard 2005). It is important to note that this adherence to “market Islam” is not simply a re-articulation of economic liberalism through religious categories and justifications, but is part and parcel of the value system that many members of Islamist parties increasingly adhered to and promoted in a global era of ideological renewal of the spirit of capitalism (Boltansky and Chiapello 1999). The latter is founded on the values of

striving for success, self-improvement and excellence, which ultimately affects the way in which Islamists conceive the world. The Turkish Islamist politician Erdogan clearly embodies this when he says: “educate your children in the best schools, ensure that your families reside in the best neighbourhoods, that you drive the best cars, that you live in the best houses and have five children, not three. This is the best answer you could have for those who are unkind and hostile to you” (Goldman 2017). Well before Erdogan made that speech, Clark (2004) had already uncovered in her study of charitable Islamist organizations in Jordan, Egypt and Yemen that middle-class values were dominant in the sector, with individualism, consumerism, professional success, and social status—all articulated through religious referents—now attached to capitalism (Amghar 2007; Nasr 2009). Islamists began mobilizing Islam to promote the positive values of individual success and self-realization going therefore beyond the purely instrumental adherence to market economics in its neo-liberal form to incorporate fully its values, although with a religious flavor that would provide an ethical and moral foundation. Material success then becomes the sign of being “chosen” by God, which in turn means that through religious re-education anyone can be successful, relieving therefore the state of the necessity to cater for the disenfranchised and the poor who have to better themselves individually to merit God’s favor. Once they do so with the guidance of private and compassionate religious institutions, they will also enjoy economic and social success with a very relaxed attitude about wealth accumulation and its display (Boubekeur 2005).

As Scwiedler (2011) correctly pointed out, the Arab uprisings and the participation of many Islamist and Salafi parties in democratic politics provided the opportunity to test what they had been advocating when opposing the authoritarian regimes that had now collapsed. The uprisings opened then a third phase in terms of Islamist and Salafi economic thinking because suddenly they had to prepare electoral manifestos to seek votes in legitimate elections and they had to face the political and social pluralism that came with processes of regime change. This meant competing with other social and political actors in environments that were no longer constrained by authoritarian regimes. In addition, when elected in government, they had the responsibility to manage the national economy and figure out how to go about it in light of the unresolved contradictions that their parties and movements still had. Advocating for the combination of neo-liberal reforms—implemented by moral individuals—to boost economic growth and reduce unemployment with greater

spending in education and health sounds appealing and feasible in opposition. Delegating welfare provision to private institutions also sounds both doable and attractive, as does the reliance on Islamic finance, which Tobin illustrates in her contribution. The reality of government though is entirely different. It is no surprise then Islamists of all hues found it extremely complex to manage the economy when in power and their failures are hardly surprising. Although there are mitigating factors for their inability to change economic course, the contradictions and naiveté in their political programs have been a crucial component (Kienle 2013). This is an aspect that Tripp (2006) had already underlined in his analysis of the Islamic moral economy and the challenge of capitalism. Interestingly, as Daher illustrates in his contribution to this symposium, this neo-liberal turn has also affected the Shia Lebanese movement Hezbollah, which has had to work hard to balance its pro-market tendencies in government and the criticism emerging from its own base for this neo-liberal turn. The failures in power also revived the internal debate about the advantages and disadvantages of a neo-liberal outlook insofar as criticism of globalization, privatization, and consumerism had remained important for many members of Islamist parties as well as for some of its leaders.

As the discussion above illustrates, there is a significant amount of literature on the relationship between Islamism and economics dating back to the mid-2000s, but the majority of studies focus on the broader philosophical discussion and the compatibility of Islam with different economic systems. When it comes to Islamist parties and their economic visions and performances when in government we only have few studies (Kuran 2004; Saif and Abu Rumman 2012; Kienle 2013; Yildirim 2016; Cimini 2017) and very little systematic attention has been paid to the transformations—or absence thereof—that Islamist and Salafi parties and movements went through when it comes to their policy positions on the economy and how they impacted their members and the broader political debate. This might have been understandable at a time when such actors had no possibility of gaining power, but the Arab uprisings have once again testified to the central role that Islamists have and their ability to win elections and come to power. Given the challenges Arab economies face, it is important to tease out how leading political actors in the region put in place and think about their economic agenda even though the return of authoritarian practices might prevent Islamists from coming to power any time soon. In any case, Islamists are likely to remain crucial to Arab politics for the foreseeable future. Containing studies from scholars with different approaches

to the study of Islamism and economics, this symposium attempts to answer a number of research questions that have both academic and political salience and that can inform the broader comparative debate about the relationship between politics, religion, and economics. How does one explain the move away from socialism and toward neoliberalism? Did all Islamist parties experience such a move? Which actors specifically participated in these dynamics of change? What to make of the contradictions that characterize many of the policy positions Islamists have today? How does one explain the engagement of Salafi parties in such debates?

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