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COMMENT & ANALYSIS: The economic failure of Islam: Muslim animosity towards the west has its roots in an inability to respond effectively to centuries of financial progress

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By MARTIN WOLF

Why do they hate us so much? Along with the shock, anger and grief comes this question. What makes men plan and execute an atrocity on the scale of September 11? To these questions, many offer two answers: their poverty and our policies. Poverty fuels desperation; our policies stoke humiliation. Desperation and humiliation breed terrorism. The answer is to end the poverty and change the policies.

In its naive form, this view is implausible. The people who carried through this attack are far from poor. Many originate in Saudi Arabia, a relatively wealthy oil state. Equally, the west can do little to assuage such enemies, short of disappearing from the region, if not from the world. Osama bin Laden and his associates wish to expunge the "crusader presence" from Islamic holy places and restore the golden age of Islamic supremacy. The aim is not peace with Israel, but its annihilation. By confirming the Israeli presence, a peace agreement could as well increase the risk of terrorist attacks on western targets as reduce it.

The humiliation and rage that spawn what President George W. Bush called terrorist groups "of a global reach" are real. But they are the result of a long-term historic failure, not of recent events. We are eating the fruit of three centuries of bitterness between a dominant west and an enfeebled Islamic world.

Western power and wealth have transformed or destroyed traditional patterns of life everywhere. Yet nowhere has the rise of the west - of which the US is the contemporary avatar and Israel a humiliating symbol - posed a bigger challenge than for the world of Islam, for two reasons.

First, for a thousand years the Islamic world thought itself more powerful, more economically advanced and more intellectually sophisticated than the Christendom with which it contended. Second, western ideas of democracy, liberalism, sexual equality and a law-governed state conflict with Islam's traditional practice.

In assessing the response to the western challenge, Anatole Lieven, a senior associate of the Carnegie Endowment for International Peace, judges that "with the exception of some of the oil-endowed Gulf states and - to a limited degree - Turkey and Malaysia, every single Muslim country has failed to enter the developed world".*

The position is grim. Last year, according to the World Bank, the average income in the advanced countries was Dollars 27,450 (Pounds 18,800) (at purchasing power parity), with the US on Dollars 34,260. Israel's income per head was Dollars 19,320. Against this, the average income of the historic belt of Islamic countries that stretches from Morocco to Bangladesh was Dollars 3,700. If one ignores the special case of the oil exporters, not one had incomes per head above the world average of Dollars 7,350.

Turn then to economic policy. According to World Audit's index of economic freedom, the highest ranks (out of 155 countries) in 2001 were 42nd, for Kuwait, and 48th, for Morocco. Most of the countries were ranked among the most restrictive in the world (that is, in the ranks above 100). Again, in the well-known Freedom House evaluation of political liberty, just five of these countries (Bangladesh, Jordan, Kuwait, Morocco and Turkey) were judged even partly free. The rest were simply "not free". World Audit places six of these regimes (Afghanistan, Iraq, Libya, Saudi Arabia, Somalia and Sudan) among the eight most politically repressive in the world.**

Western ideas of political organisation and economic policy have been resisted or rejected. The countries of the Islamic belt are not just poor, but are falling behind other developing countries. In 1950, Egypt and South Korea had much the same standard of living. Today, South Korea's is almost five times as high. Remarkably, India's standard of living is now almost half as high again as Pakistan's.

The failure of the core countries of the Islamic world to match the industrial revolution is not surprising. Apart from the political, social and ideological differences from the west, they lacked fast-running water, coal and iron. Then western imperialism entered the region, depriving it of the capacity for an autonomous response. The last half century has been a different matter. If one puts to one side the special case of Turkey, the principal attempts at modernisation were made by socialist regimes, all of which have failed. Now the region lives with the consequences of that failure in a resurgent fundamentalism and the often repressive reaction of western-supported regimes.

In the words of Bernard Lewis, historian of the Islamic world, "Ultimately, the struggle of the fundamentalists is against two enemies, secularism and modernism. The war against secularism is conscious and explicit . . . The war against modernity is for the most part neither conscious nor explicit, and is directed against the whole process of change that has taken place in the Islamic world in the past century or more."***

The desire for return to a pure form of religion is not new. But the call to a purified faith has wider appeal today than before. Everywhere in the developing world, people must respond to the intrusive impact of the ideas and the prosperity of the western world, in general, and of the US, in particular. But religion makes a difference to the nature of that response. A universal religion with all-embracing political and social claims offers a lens on the world different from that available to a Chinese or a Hindu. Most fundamentalists are in no way terrorists, far from it. But they can offer a reason to die - or to kill.

Western policymakers face harsh realities. They can try to make their countries safer. They can act directly against the terrorist threat. They should try to cajole Israel into a peace acceptable to the Palestinians, though that would not end terrorism by those who believe the Jewish state should disappear. They can also encourage political and economic liberalisation among their clients. But the west cannot make the region rich or politically stable. It cannot secure an accommodation between the traditions of Islam and the demands of the modern world. All it can do is the best it can with the world that there is - and endure.

* Strategy for Terror, Prospect, October 2001, www.prospect-magazine.co.uk **
www.worldaudit.org *** The Roots of Muslim Rage, The Atlantic, 1990,
www.theatlantic.com/issues/90sep/rage2 martin.wolf@ft.com Copyright: The Financial Times Limited