Modernization and Democratization in the Muslim World

Obstacles and Remedies

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Foreword

Debate about Islam is not new in the West. But in the last few years, there has been a proliferation of writings on Islam. In particular, since September 11, 2001, much has been said and written on terrorism and its connection to Islam. Islam has become the subject of hundreds of books, articles, and conferences, thus providing opportunities for instant "specialists" to add their fresh "expertise" to the established knowledge of academics, travelers, and seasoned diplomats who have lived and worked with and among Muslims.

No doubt, some valuable work has been done on Islam, Islamic culture, and values. But a great many studies are one sided, inflammatory, and infused with emotions and ideological undertones. Indeed, at present, impartiality seems a rare commodity when discussing Islam, and most discussions have become politicized and subjective. However, a fundamental question remains, namely, how to live with over 1.2 billion Muslims spread throughout the world.

Modernization and Democratization in the Muslim World: Obstacles and Remedies is a remarkable contribution to the ongoing debate about Islam, Islamists, and Muslims. This wide-ranging report, incorporating politics, history, economics, and development issues, makes commendable efforts to explain intricate issues and their interconnections. It does so in a noncontroversial manner, educating or reminding readers to put things into their multiple contexts. This approach, however, does not excuse or defend governments in the Muslim world. On the contrary, their leaders are invited to note that "after more than five decades of efforts at modernization, the Muslim world still lags behind not only the advanced Western countries, but also a number of East Asian states." The report goes further with an analysis of the "Muslim world's modernization and democracy gap." The consequences of this deficit, including its security implications, have become a preoccupation for policymakers, especially among major countries, notably the United States, and in many leading circles of the Muslim world.

Although there is an overall consensus on the reality of the gap in modernization and democratization between Muslim states and Western countries, the explanation of its root causes and the possible solutions to fill it pose immense problems. Stereotypes, including within Muslim countries, do not help address the structures that nurture this gap. It is important that physical, psychological, or verbal terror, whatever the source, is not minimized in this report. However, its major focus is to determine the conditions most favorable to international peace and security, and those imply economic development.

The report frequently reminds us of the imperative today to put analyses of Islam into proper historical, economic, and geographical contexts. Hence, it makes a considerable effort to rescue history from the new experts and historians of Islam. Culturalists and other orientalists may not be totally wrong in their view of why

Islamic countries are lagging behind, but they are invited "not to ignore the diversity of the modernization process" and are reminded that "traditions, including religious, have survived in modern Western societies and in some cases such as the United States are becoming stronger." On democratization, the report recalls that "Britain was the only country where modernization and democratization were indigenous phenomena, accomplished in relative peace over a period of more than 200 years." In contrast, in neighboring France, the democratic evolution was marked by violence. Consequently, we are advised to have a "less insular" and a "less abstract" debate on Islam and democracy. Comparisons between other cultures and democracy on the one hand and historical contexts on the other are indispensable to scientific assessments of the evolution of cultures. Modernity and democracy, too, were not linear processes. The report is full of most interesting demonstrations of the correlations among past events now ignored or minimized, though critical in their time.

No doubt, this method helps us understand some historical developments and put them in proper perspective. Colonial powers and other foreign presences have made local populations more aware of the necessity to defend and, thus, reorganize their own religious and cultural systems. Rejection, adaptation, or integration of the colonizers' models has often been debated, and the return to an idealized historical form of government has often been seen in the modern world as a shield against foreign or modern intrusion.

The report concludes with a set of concrete recommendations. It notes that cultures and values are not immutable, as changes in economic and social structures very often lead to cultural transformation. Indeed, reform is possible if a number of mutually reinforcing actions are undertaken at different levels. The general principles—for instance, respect for human rights and transparency—should be upheld over a significant period of time. At the national level, human capital is to be built or strengthened in a sustained manner with a culture of tolerance and inclusion. Finally, mature democracies, with high stakes in the security of a stabilized world, should support modernization in a consistent manner.

Indeed, in this era of mass communication, universal values should defeat double standards, and serious efforts should be organized to strengthen the credibility of the international community and, thus, help to address the root causes of misunderstanding among cultures and regions. Terrorists, nihilists, and all those promoting any form of totalitarianism in approach or in action could then be defeated.

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Preface

The fall of the Berlin Wall on November 9, 1989, followed by the fall of the Communist regimes in Eastern Europe, and finally the collapse of the Soviet Union in December 1991, generated an optimistic mood regarding the future of international relations, especially in the West.

This optimistic perspective was best captured in Francis Fukuyama's article "The End of History."[1] According to this view, the Soviet Union's collapse had validated the superiority of the Western liberal model of economics and politics and confirmed its universal application. It was, therefore, expected that those countries that had not yet embraced this model would embark on market-oriented economic reform and democratization. It was also believed that, with the end of the Cold War, military expenditures could be reduced and more funds both at national and international levels would be spent on economic and social development—the so-called peace dividend.

This optimism was further strengthened by the victory of the international coalition created in 1990 under U.S. leadership to reverse Iraq's aggression against Kuwait and later buttressed by the Oslo process resulting in the 1993 Palestinian-Israeli peace agreement. Indeed, it was hoped that the end of the Gulf War (March 1991) would usher in a new period of peace and prosperity in the Middle East. Other developing countries were also to benefit from this dividend in the form of economic aid and other forms of assistance.

Sadly, however, events took a different turn. The collapse of the Soviet Union unleashed centrifugal tendencies in the Balkans and the former Soviet Union, including the Russian Federation itself, in the form of the Bosnian, Kosova, and Chechen wars, plus intra- and interstate conflicts in the Caucasus and Central Asia, such as the Tajik civil war and the Nagorno-Karabakh dispute pitting Azerbaijan and Armenia against each other.

The Soviet Union's withdrawal from Afghanistan, instead of bringing peace and security, led to a bloody and devastating civil war and to the emergence of the Taliban with their reductionist reading of Islam and their xenophobic and intolerant attitudes toward the West—and a good part of the Muslims. Meanwhile, the Bosnian and Chechen wars, both involving Muslims, became breeding grounds for new generations of Muslim militants. They also generated widespread resentment among Muslims because of the international community's perceived inaction toward these conflicts. Meanwhile, the prospects for Arab-Israeli peace dimmed after the assassination of Prime Minister Yitzhak Rabin of Israel in 1994 and later resulted in renewed Arab-Israeli tensions. Modernization and democratization in large swaths of the Islamic world and beyond in the developing world were casual-

1. Francis Fukuyama, "The End of History," *National Interest* (Summer 1989).

ties of these inauspicious post-Soviet developments; instead of greater aid and other efforts to help the developing world, much of the international community's attention in the 1990s was absorbed by events in Russia and the Balkans and the state of Russo-Western relations. With the Soviet threat eliminated, most of the developing world was further marginalized.

The fact that history did not end after all with the Soviet Union's demise also led to a search for new and overarching paradigms to explain the future shape and direction of international relations. This search resulted in the promulgation of the "clash of civilizations" thesis by Samuel Huntington.[2]

The attacks by terrorists belonging to the extremist Muslim organization Al Qaeda on the World Trade Center and Pentagon on September 11, 2001, appeared to validate the clash of civilizations thesis. However, it soon became clear that as abhorrent and inhuman as these acts were, they reflected the deep and multidimensional—economic, social, political, and cultural—crisis of the Muslim world resulting from its significant deficiencies in modernization and democratization. These attacks also alerted the international community, especially the United States, to the global ramifications of these deficiencies. The events of September 11 were also a wake-up call for Muslim states that, without fundamental reforms, extremism would attract more followers. Understandably, the immediate reaction of the international community, under U.S. leadership, was to dismantle the Taliban and Al Qaeda power base, hence the military operations in Afghanistan and a global effort to eliminate transnational terror networks.

The Afghan intervention in October 2001 was followed by the toppling of Saddam Hussein's Iraqi regime in March 2003 by the United States, with the participation of a number of European and Asian countries. As a result of these interventions, the United States and the international community at large became directly involved in the process of state and nation building, modernization, and democratization in Afghanistan and Iraq. The post–September 11 developments also shifted international attention to the persisting problems of underdevelopment and authoritarianism in the Muslim world. It was in recognition of this situation and its inherent risks that in March 2004 the United States unveiled a long-term action plan to promote democratization and modernization in the Greater Middle East and sought support from the Group of 8 for this ambitious project.

The experiences of the last two years in Afghanistan and Iraq have demonstrated the dilemmas inherent in the processes of state and nation building and democratization, including the tension between the imperatives of order and freedom. In short, the international community has had to deal with the same types of problems and dilemmas that have bedeviled the developing countries for the last 50 years and, in some cases, for more than a century.

Meanwhile, in response to U.S. actions and initiatives, many Muslim countries, notably in the Arab world, have started to take steps toward an opening of the political sphere. At this important juncture when both Muslim countries and key international actors seem determined to address the issues of modernization and

2. Samuel P. Huntington, "The Clash of Civilizations?" *Foreign Affairs* 72, no. 3 (Summer 1993).

democratization in the Muslim world, it is important that lessons of the past be put to good use. One important lesson, as Alexander Gerschenkron noted 40 years ago, is that advanced countries will not succeed in their efforts to help developing nations if they ignore the latter's particularities and the nature of their shortcomings.[3]

It is therefore hoped that this report, by explaining the factors behind the Muslim world's modernization and democratization deficit and by providing some broad suggestions on how to overcome existing obstacles, will be of benefit to those in the United States, the Muslim world, and elsewhere who are endeavoring to give a new impetus to modernization and democratization in the Muslim world. Some of the conclusions of the report are also valid for other developing countries.

This report, resulting from the work of a study group which met twice in May and July 2003, and the edited volume to be published in 2005[4] would not have been possible without the generous support of the Carnegie Corporation of New York. I would therefore like to express my personal thanks, as well as those of CSIS, for this support. I would also like to express our gratitude to the LUSO-American Foundation for the additional support they gave to this project. In addition, our thanks go to all participants and paper presenters in the study group for their insights and contributions.

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3. See Alexander Gerschenkron, *Economic Backwardness in Historical Perspective* (Cambridge, Mass.: Belknap Press of Harvard University Press, 1962).

4. Shireen T. Hunter and Huma Malik, eds., *Modernization, Democracy, and Islam* (Westport, Conn.: Praeger/CSIS, forthcoming).

CHAPTER 1

Modernization and the Muslim World

Background

After more than five decades of efforts at modernization, the Muslim world still lags behind not only the advanced Western countries but also a number of East Asian states, such as Taiwan, South Korea, Singapore, and China, in every aspect of modernization. Muslim countries also fare badly in many socioeconomic indicators in comparison with the Latin American countries. The Islamic world's record in terms of establishing and sustaining democratic systems of government is equally disappointing.

The following statistics provide a glimpse of the magnitude of the Muslim world's modernization and democracy gap. To illustrate, out of 46 countries with a majority Muslim population, 17 are in the category of LDCs (least-developed countries)[5] and 22 in the category of developing countries[6] (see tables 1 and 2). The combined GDP of the Muslim majority countries in 2002, with their collective population of 1.17 billion, was $1.38 trillion[7] or a fraction of the GDP of the European Union—which has a population of only 370 million[8]—of €8.83 trillion (U.S.$10.11 trillion).[9] Per capita incomes in the Muslim world range from $140 (Sierra Leone)[10] in the case of a Muslim LDC to $20,530 (United Arab Emirates)[11] in the case of an oil-rich Arab country. The share of the Muslim world in international trade is a

5. United Nations, "List of Least Developed Countries (as of December 2003)," at <http://www.un.org/special-rep/ohrlls/ldc/list.htm>. For the 2003 criteria for the least-developed countries, see United Nations Economic and Social Commission for Asia and the Pacific, "Least Developed Countries," at <http://www.unescap.org/MDG/LDC.asp>. Thresholds for inclusion in the list of least-developed countries are population less than 75 million; per capita gross national income (GNI) less than U.S.$750 million; human assets index (HAI) less than 55; and economic vulnerability index (EVI) greater than 37. A country must meet all three criteria for inclusion. Thresholds for graduation from the list of least-developed countries are per capita GNI greater than U.S.$900; HAI greater than 61; and EVI of less than 33. A country must meet at least two of the criteria for graduation.

6. Asli Guveli and Serdar Kilickaplan, "A Ranking of Islamic Countries in Terms of Their Levels of Socio-Economic Development," *Journal of Economic Cooperation* 21, no. 1 (2000): 97–114, Annex 3: Socio-Economic Development List.

7. World Bank, "Data by Country," at <http://www.worldbank.org/data/countrydata/countrydata.html>. GDP information excludes Afghanistan, Iraq, and Somalia because no information was available. All data is for 2002 except when not available; then most recent data used: Bahrain (2001), Brunei Darussalam (1998), Kuwait (2001), Libya (1998), Qatar (1998), Saudi Arabia (2001), United Arab Emirates (1998).

meager 6.86 percent.[12] This percentage would be further reduced if oil exports were excluded.

The composition of key Muslim countries' exports and their principal sources of foreign exchange earnings further illustrate this very unsatisfactory record of modernization, measured here in terms of industrialization. The overwhelming majority of Muslim countries depend on the export of a few commodities—hydrocarbons and other minerals and agricultural products—for the bulk of their foreign exchange. Only a very few Muslim countries, such as Malaysia and Turkey, earn substantial foreign exchange from the export of industrial goods and from service industries such as tourism. Regarding the latter, Egypt and Tunisia also fare well. Many, including middle-income countries, cannot survive without some form of bilateral or multilateral foreign aid.

Although urbanization has increased in the Muslim world, the percentage of the population living in rural areas remains quite high (see table 3). Moreover, urbanization in the majority of Muslim countries has resulted not from large-scale industrialization but rather from the migration of impoverished rural populations to the cities. Consequently, large parts of urban centers in the Islamic world resemble rural areas in terms of educational levels, cultural values, and attitudes. In short, most urban centers in the Muslim world are not a phenomenon of modernization; rather they represent the displacement of traditional societies into urban conglomerates.

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8. European Union, *Eurostat Yearbook 2003: The Statistical Guide to Europe, Data 1991–2001*, 8th ed. (Luxemburg: Office for Official Publications of the European Communities, 2003), p. 153, at <http://europa.eu.int/comm/eurostat/Public/datashop/print-product/EN?catalogue=Eurostat&product=freeselect3-EN&mode=download>. U.S.$ equivalent was calculated using current market value on November 3, 2003, with the Universal Currency Converter at <http://www.xe.com/ucc/convert.cgi>.

9. European Commission, *A Community of Fifteen: Key Figures*, 2000 ed. (Brussels: European Commission, 1999), p. 10, at <http://europa.eu.int/comm/publications/booklets/eu_glance/14/index_en.htm>.

10. World Bank, *World Development Indicators 2003* (Washington, D.C.: World Bank, 2003), pp. 14–16.

11. United Nations Development Programme, *Human Development Report 2003* (New York: UNDP, 2003).

12. World Trade Organization, "Trade Statistics, Historical Series, Merchandise Trade, and Commercial Services Trade," at <http://www.wto.org/english/res_e/statis_e/statis_e.htm#worldtrade>. This number was calculated by summing the merchandise and commercial services exports for each Muslim majority OIC (Organization of Islamic Conference) country and dividing the total by the total world merchandise and commercial services exports. All data used is the most recent available. All merchandise exports data is for 2002 except: Djibouti (2001). All commercial services data is for 2001 except: Jordan, Malaysia, Morocco, Tunisia, and Turkey (2002); Algeria, Brunei, Burkina-Faso, Chad, Comoros, Djibouti, Gambia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Syria, and Yemen (2000); Libya and Uzbekistan (1999). No service exports data available for: Afghanistan, Lebanon, Qatar, Somalia, Turkmenistan, United Arab Emirates.

Table 1. Levels of Development for Muslim Majority Countries

LDCs†	**Low Income** (per capita GNI less than U.S.$745)	**Lower Middle Income** (per capita GNI U.S.$746–2,975)	**Upper Middle Income** (per capita GNI U.S.$2,976–9,205)	**High Income** (per capita GNI greater than U.S.$9,206)
Afghanistan	Afghanistan	Albania	Lebanon	Bahrain
Bangladesh	Azerbaijan	Algeria	Libya	Brunei-Darussalam
Burkina-Faso	Bangladesh	Djibouti	Malaysia	Kuwait
Chad	Burkina-Faso	Egypt	Oman	Qatar
Comoros	Chad	Iran	Saudi Arabia	United Arab Emirates
Djibouti	Comoros	Iraq		
Gambia	Gambia	Jordan		
Guinea	Guinea	Maldives		
Maldives	Indonesia	Morocco		
Mali	Kyrgyzstan	Palestine		
Mauritania	Mali	Syria		
Niger	Mauritania	Tunisia		
Senegal	Niger	Turkey		
Sierra Leone	Nigeria	Turkmenistan		
Somalia	Pakistan			
Sudan	Senegal			
Yemen	Sierra Leone			
	Somalia			
	Sudan			
	Tajikistan			
	Uzbekistan			
	Yemen			

Source: LDCs: Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, <http://www.un.org/special-rep/ohrlls/ldc/list.htm>. Income level: World Bank, *World Development Indicators 2003* (Washington, D.C.: World Bank, 2003).

† LDC Criteria: Per capita GDP below U.S.$900 for inclusion but above U.S.$1,035 for graduation; weak human assets based on health, nutrition, and education indicators; high economic vulnerability based on instability of agricultural exports, inadequate diversification, and economic smallness, and a population below 75 million. It is important to note that criteria is subject to change. In fact, the 2003 review of the least-developed countries by the UN Committee for Development Policy was based on the inclusion threshold of a three-year (1999–2000) average of U.S.$750 and the threshold for graduation of U.S.$900. United Nations,"Committee for Development Policy: Report on the Fifth Session, April 7–11, 2003," *Economic and Social Council Official Records*, Supplement No. 13 (New York: United Nations, 2003), at <http://www.unescap.org/MDG/LDC.asp>.

Table 2. Per Capita Income (in U.S. dollars)

Country	Per Capita GNI	Country	Per Capita GNI
Afghanistan	* * *	Palestine	930
Somalia	* * *	Syria	1,130
Iraq	* * *	Morocco	1,190
Sierra Leone	140	Turkmenistan	1,200
Niger	170	Albania	1,380
Tajikistan	180	Egypt	1,470
Chad	220	Iran	1,710
Burkina-Faso	220	Algeria	1,720
Mali	240	Jordan	1,760
Gambia	280	Tunisia	2,000
Nigeria	290	Maldives	2,090
Kyrgyzstan	290	Turkey	2,500
Sudan	350	Malaysia	3,540
Bangladesh	360	Lebanon	3,990
Comoros	390	Libya	7,570
Mauritania	410	Oman	7,720
Guinea	410	Saudi Arabia	8,460
Pakistan	410	Bahrain	11,130
Uzbekistan	450	Kuwait	18,270
Senegal	470	Brunei-Darussalam	19,210
Yemen	490	Qatar	19,844
Indonesia	710	United Arab Emirates	20,530
Azerbaijan	710		
Djibouti	900		

Sources: World Bank and United Nations Development Programme, *Human Development Report 2003* (New York: UNDP, 2003). All data for 2002 except: Bahrain, Brunei, Kuwait, Libya, Oman, Qatar, Saudi Arabia, and United Arab Emirates, which is for 2001.

Other socioeconomic indicators in Muslim countries also present a discouraging picture. The level of illiteracy, especially among women, and unemployment, especially among the youth, is very high. The pattern of income distribution is highly skewed in favor of a small rich minority, and the rest of the population is trapped in various degrees of poverty. Indicators in terms of the Muslim world's scientific and technological advance and access to new electronic means of communication are equally disappointing. For example, the percentage of the population with access to computers and the Internet is very low throughout the Muslim world. In the Arab world, there are less than 18 computers per 1,000 persons compared to the global average of 78.3, 53 newspapers per 1,000 persons versus 285 in developed countries, and only 109 telephone lines per 1,000 persons compared to 561 in developed countries (for other countries see table 4).[13] In terms of democratization and the building of institutions such as political parties, free press, and strong civil society—which are necessary for the establishment, consolidation, and effective functioning of democracy—the Muslim world also lags behind.

Table 3. Measures of Industrialization (in percent)

	GDP by Sector 2001			Labor by Sector 1980-1982		
Country	**Agriculture**	**Industry**	**Services**	**Agriculture**	**Industry**	**Services**
Afghanistan	* * *	* * *	* * *	76.0	10.5	14.0
Albania	50	23	26	* * *	* * *	* * *
Algeria	10	55	36	48.0	19.5	32.5
Azerbaijan	17	46	36	* * *	* * *	* * *
Bangladesh*	23	25	52	50.0	15.5	34.5
Burkina-Faso	38	21	41	92.5	2.5	5.0
Chad	39	14	48	88.5	3.0	8.0
Egypt*	17	33	50	32.0	17.0	51.0
Gambia	40	14	46	85.5	6.5	9.0
Guinea	24	38	38	91.5	1.5	7.5
Indonesia	16	47	37	54.5	14.5	31.0
Iran	19	33	48	* * *	* * *	* * *
Iraq	* * *	* * *	* * *	41.5	17.5	41.5
Jordan	2	25	73	* * *	* * *	* * *
Kuwait†	1	52	47	1.0	19.5	79.5
Kyrgyz*	38	27	30	52.5	11.0	36.0

13. United Nations Development Programme, *Arab Human Development Report 2003* (New York: UNDP, 2003), pp. 59, 63, at <http://www.undp.org/rbas/ahdr/english2003.html>.

Table 3. Measures of Industrialization (in percent) *(continued)*

Lebanon	12	22	66	16.5	25.0	58.5
Libya	* * *	* * *	* * *	39.5	16.0	44.5
Malaysia*	9	49	42	17.0	31.0	52.0
Mali	38	26	36	89.0	1.5	9.5
Mauritania	21	29	50	72.0	6.5	22.0
Morocco*	16	31	53	6.0	36.0	58.5
Niger	40	17	43	6.5	49.0	45.5
Nigeria	30	46	25	* * *	* * *	* * *
Oman†	3	58	39	38.0	27.0	35.0
Pakistan	25	27	52	* * *	* * *	* * *
Saudi Arabia†	6	50	43	35.0	11.0	54.5
Senegal	18	27	55	82.0	5.5	12.5
Sierra Leone	50	30	20	72.5	12.0	15.5
Somalia†	65	* * *	* * *	79.5	7.0	13.5
Sudan	39	19	42	77.0	6.5	16.0
Syria	22	28	50	* * *	* * *	* * *
Tajikistan	29	29	41	* * *	* * *	* * *
Tunisia	12	29	60	43.0	31.0	26.5
Turkey*	14	26	61	53.0	17.5	29.5
Turkmenistan	29	51	20	* * *	* * *	* * *
U.A.E.†	2	64	35	2.5	23.5	74.0
Uzbekistan	34	23	43	* * *	* * *	* * *
Yemen	16	50	35	79.0	10.0	11.0

Source: World Bank, *World Development Indicators 2003*, pp. 46–48, 190–192.
* Labor statistics for 1998–2001.
† GDP sector statistics for 1990.

In fact, for the last 50 years the overwhelming majority of Islamic countries have lived under different forms of authoritarian and/or semi-totalitarian governments. This pattern has only occasionally been punctuated in some cases by what can best be described as electoral democracy. Even in Turkey, with the longest-functioning democratic system of government in the Muslim world, the democratic process has often been interrupted by military coups d'état. Malaysia represents a more sustained, albeit not untroubled process of democratic consolidation.

In short, despite the emergence of a few encouraging spots, such as Senegal, Mali, Bangladesh, and the fledgling attempts of Indonesia within the last few years to democratize, the majority of Muslim countries are under some form of authoritarian rule. In a number of Muslim countries, such as Syria, Azerbaijan, and potentially Egypt, presidential dynasties have emerged, while in the Muslim states of Central Asia "presidents for life" have become the order of the day.

Internal and International Implications

Clearly, the modernization and democratization deficit of the Muslim world has adversely affected the quality of life of the Muslim peoples. But the deficit is also potentially fraught with serious risks of political instability, radicalization of social and political discourse, emergence of various forms of extremism, and even state breakdown. Some of these possibilities have already been realized in the form of the spread of different shades of extremist Islam, the emergence of terrorist networks inspired—at least partially—by extremist interpretations of Islam, and debilitating civil wars, as in Afghanistan, Somalia, and Algeria.

Considering the strategic importance of significant parts of the Islamic world for the health of the international economic system and hence global political stability—including the area stretching from the Caspian Sea to the Persian Gulf, with its vast oil and gas reserves—the modernization and democratization deficiencies of the Islamic world do not merely concern the Muslims. Forty years ago, Alexander Gerschenkron said, in talking about the developing world in general, "the paramount lesson of the twentieth century is that the problems of backward nations are not exclusively their own. They are just as much the problems of the advanced countries…."[14] This statement is even truer today. Therefore, the implications of the Islamic world's current predicament go far beyond the Muslim nations and have global ramifications. Indeed, the events of the last quarter century, extending from the Iranian Revolution in 1979, the Iran-Iraq War of 1980–1988, the Afghan Civil War, and the Gulf War of 1991 to the terrorist attacks of September 11, 2001, and the Western military interventions in Afghanistan and Iraq, bear witness to the negative international ramifications of the Muslim world's modernization and democratization failure.

Searching for the Causes

Given the seriousness of the Muslim world's modernization and democratization problem and its implications for regional and international stability, it is not surprising that, in the last 15 years, the causes of the Muslim world's poor performance have been hotly debated by academics and a wide range of political, cultural, and other analysts in the West and in the Muslim world. Furthermore, since September 11, 2001, the question of how to remedy the situation has also become the preoccu-

14. Gerschenkron, *Economic Backwardness in Historical Perspective*, p. 30.

pation of policymakers in the West, notably the United States. This question has also acquired greater urgency for Muslim peoples and leaders. Consequently, different explanations have been offered.

By far the most influential thesis to have emerged in the West to explain the modernization and democratization failure of the Islamic world is based on the religio-cultural peculiarities of the Muslim world and, indeed, the specifics of Islam as a religion and as a sociopolitical order: in other words, the culturalist thesis. The two best-known proponents of this thesis, especially as it concerns democratization, are Samuel P. Huntington and Bernard Lewis.[15] However, it is important to point out that they draw on a long tradition of Western culturalist thinking in these matters.

Of course, the culturalist thesis has been challenged since it was first expounded by Samuel Huntington in 1993.[16] In just the last year, U.S. officials, including President George W. Bush, have made statements to the effect that Islam is not incompatible with democracy.[17] However, the culturalist argument retains significant influence. According to the thesis the causes of the Islamic world's failure to modernize and democratize must be found in a number of Islam's basic characteristics. Notable among them are the aversion to rational thinking—a prerequisite of any form of modernization—the priority of faith over reason, the priority of the community over the individual, and the fusion of the private and public and temporal and spiritual domains. For example, according to Ernest Gellner, "Muslim societies in the modern world present a picture which is virtually a mirror image of Marxist ones. They are suffused with faith, indeed they suffer from a plethora of it…."[18] Other charges are that Islam generates a submissive spirit in that its essence is submission to God's will; its communitarian tendencies inhibit individual initiative and innovation; it is introverted and sees the world in terms of a divide between Muslims and non-Muslims; and hence, it is not receptive to new ideas.

Yet the culturalist thesis is based on an undifferentiated and ahistorical understanding of modernity and democracy. Taking the late twentieth and early twenty-first century models of the West as the criteria against which other cultures are judged and found wanting, the culturalists ignore the diversity of the modernization process in Europe and in those non-European countries that have made considerable headway in this direction. In particular, they brush aside the extent to which elements of tradition, including religion, have survived in modern Western societies and, in some cases such as the United States, are becoming stronger. Nor

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15. Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon and Schuster, 1996); Bernard Lewis, *What Went Wrong? Western Impact and Middle Eastern Response* (New York: Oxford University Press, 2002) and "The Roots of Muslim Rage," *Atlantic Monthly,* September 1990.

16. Huntington, "The Clash of Civilizations?"

17. "President Bush Discusses Freedom in Iraq and Middle East," remarks by the president at the 20th Anniversary of the National Endowment for Democracy, U.S. Chamber of Commerce, Washington, D.C., November 6, 2003, at <http://www.whitehouse.gov/news/releases/2003/11/20031106-2.html>.

18. Ernest Gellner, "Civil Society in Historical Context," *International Social Science Journal* 43, no. 3 (1991): 133.

do they adequately take note of the fact that religions and religious institutions reform and offer a different discourse well suited to changing social, economic, and cultural realities. Nevertheless, Europe's modernization had enormous costs for large segments of Europe's population in terms of economic deprivation and social dislocation, a cost that the culturalists ignore.[19]

The culturalist thesis also ignores the impact of the external environment on the process of modernization. Yet, Europe's modernization was closely linked to the outward expansion of newly formed or forming European states beyond Europe in the late fifteenth and early sixteenth centuries. This expansion created the basic framework of the global interstate system and determined the parameters of economic and political power within which others could operate.[20]

European modernization occurred within a basically neutral and even favorable external environment. The colonies acquired by Europe provided raw materials (including gold and silver) and markets for its growing capitalist economies, and migration eased the social and economic pressures of a rising population. The non-European, notably Muslim, countries have had to modernize within a much less hospitable external environment. Internally, too, they have had to deal with populations that expect the society and polity to provide for their basic needs. The culturalists also ignore the history of the evolution of European and Western democracy and its shifting social and ethical values. Yet, even a cursory reading of history demonstrates that present-day Western liberal democracy bears little resemblance to the late eighteenth- and nineteenth-century democracies.[21] Moreover, even today Western democracies, while sharing certain basic values, differ in terms of their institutional form and the emphasis each puts on social justice aspects of democracy. It also shows that democracy is neither ever complete nor irreversible. Viewed within this historical context, the Muslim world, too, represents a more complex picture.

Culture and Modernization: A Longstanding Debate

The culturalist thesis regarding the Muslim world's modernization and democratization deficit is the latest in a long line of culturalist arguments endeavoring to explain the phenomenon of modernization in its many dimensions—economic, social, cultural, political—including the process leading to the establishment of democratic systems of government. Indeed, issues regarding the relationship between culture and modernization, as well as culture and democracy, have preoccupied scholars of history, politics, economics, and sociology for more than a century. The issue first arose in Europe, where the spread of modernization and

19. Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 1944).

20. For an excellent and accessible analysis of this and other issues related to the emergence and evolution of modernity, see Stuart Hall et al., eds., *Modernity: An Introduction to Modern Societies* (Cambridge, Mass.: Blackwell Publishers, 1996).

21. On various forms of democracy and their evolution, see David Held, *Models of Democracy* (Cambridge: Polity Press, 1987).

democratization followed a very uneven pattern in terms of timing, speed, and scope. It was also within the European context that the proposition first emerged that modernization might not necessarily be accompanied by democratization. This was the case especially with those European countries that entered the modernization process late and had to play catch-up with the more advanced players.[22] Britain was the only country where modernization and democratization was an indigenous phenomenon, accomplished gradually over a period of more than 200 years. France, though a pioneer in the rationalist intellectual revolution identified with modernization, as well as a pioneer in democratization, took a longer time to achieve certain aspects of modernization, notably industrialization. France's democratic evolution was also marked by more violence and was more uneven than that of England, although even the English experience was not free of violent episodes and, moreover, the basis of British democracy expanded very gradually. It is therefore not surprising that the issue of the prerequisites of modernization, especially the development of a capitalist economic system, first attracted attention in Germany, since in the 50 years between 1850 and 1900 it went through a development that in England had taken nearly two centuries.[23]

Max Weber provided the clearest connection between cultural, notably religious, characteristics and modernization by ascribing the rise of the modern capitalist system to the Protestant ethic, as developed by John Calvin and those inspired by him. According to Weber,

> "A glance at the occupational statistics of any country of mixed religious composition brings to light with remarkable frequency a situation which has several times provoked discussion in the Catholic press and literature, and in Catholic Congresses in Germany, namely, the fact that business leaders and owners of capital, as well as the higher grades of skilled labor and even more the higher technically and commercially trained personnel of modern enterprises, are overwhelmingly Protestant."[24]

Weber and others sharing this perspective have attributed the situation to Catholicism's other-worldly tendencies—whereas Calvinist-inspired Protestantism considered striving and success in this world to be a religious duty. This attribute, in turn, enabled Protestants to adopt a rationalist and utilitarian approach to economic issues, which facilitated the development of a capitalist system. According to

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22. England led the way in industrialization in the late eighteenth and early nineteenth centuries. The massive industrialization in other European countries, including France and Germany, did not begin until the mid-nineteenth century. Other European countries such as Spain, Portugal, and even Italy to some extent began to industrialize from the 1960s. The process of democratization was equally uneven and in the case of southern European countries dates to the 1970s. East European countries, which experienced a brief period of democratic or in some cases constitutional rule between World Wars I and II, are just beginning a painful transition from socialist totalitarianism to democracy. Germany and Italy in the 1920s and 1930s succumbed to Fascism and Nazism, and Russia went through 70 years of Communist rule.

23. For the importance of timing in Europe's modernization, see Gerschenkron, *Economic Backwardness in Historical Perspective*.

24. Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (translated by Talcott Parsons) (New York: Scribner, 1958), p. 35.

Weber, "only ascetic Protestantism completely eliminated magic and the supernatural quest for salvation…it alone created the religious motivation for seeking salvation primarily through immersion in one's worldly vocation." [25] Weber was quite categorical in his assertion that Islam is incompatible with modernization because "the role played by wealth accruing from spoils of war and from political aggrandizement in Islam is diametrically opposed to the role played by wealth in the Puritan religion."[26]

Weber attributed a number of other characteristics to Islam—which, incidentally, are uncannily similar to those voiced by the contemporary culturalist theorists—that represented Islam as incapable of modernization in every sphere, including economics.[27] According to Weber, "Islam, in contrast to Judaism, lacked the requirement of a comprehensive knowledge of the law and lacked that intellectual training in casuistry which nurtured the rationalism of Judaism."[28] Weber also stated that Islam lacked asceticism, although there were some ascetic sects among Muslims. However, this was "the asceticism of a martial cast…certainly it was not a middle class ascetic systemization of conduct of life." He added that Islamic asceticism often degenerated into fatalism, and he concluded that, consequently, "Islam was diverted completely from any really methodical control of life by the advent of the cult of saints, and finally by magic."[29]

In Weber's view, other Asian religions did not fare much better:

> "For the various popular religions of Asia, in contrast to ascetic Protestantism, the world remained a great enchanted garden, in which the practical way to orient oneself, or to find security in this world or the next, was to reverse or coerce the spirits and seek salvation through ritualistic, idolatrous or sacramental procedures. No path led from the magical religiosity of the non-intellectual classes of Asia to a rational, methodical control of life."[30]

Similarly, Weber maintained that, while acquisitive appetites among Muslims, Hindus, and the Chinese were strong and there were capitalists among them, there was no "spirit of capitalism among them."[31] The discussion of Weber's views regarding the relationship between religion and the development of a capitalist system is important because of the central role it assigned to rationalist thinking and

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25. Max Weber, *The Sociology of Religion*, 5th ed. (Boston: Beacon Press, 1969), pp. 269, 270.
26. Ibid., p. 263.
27. Ibid., p. 265.
28. Ibid., pp. 265, 266.
29. Others, however, believe that Weber has exaggerated the direct causality between the rise of Calvinist Protestantism and modern capitalism. R.H. Tawney, in his foreword to the 1958 edition of Weber's work asks the question, "Is it not a little artificial to suggest that capitalist enterprise had to wait, as Weber appears to imply, until religious changes had produced a capitalist spirit? Would it not be equally plausible, and equally one sided, to argue that the religions themselves were merely the result of economic movements." He then notes that "Recent studies of the development of economic thought suggest that the change of opinion on economic ethics ascribed to Calvinism was by no means confined to it, but was part of a general intellectual movement, which was reflected in the outlook of Catholics as well as of Protestant writers." In Weber, *The Protestant Ethic*, pp. 8, 9.
30. Weber, *Sociology of Religion*, p. 270.
31. Ibid., p. 269.

approach to life in the development of the capitalist system, which is central to all other aspects of modernization.

By essentially disqualifying religions other than Calvinist Protestantism as capable of developing a capitalist system, Weber also pronounced them to be incapable of modernization. Of course, the economic transformation of the non-Protestant zones of Europe and later Japan and other East Asian nations proved the religio-cultural determinism of Weber to be unjustified, as this transformation showed that other religious traditions are capable of mastering rational thinking and action in various fields, including economics. Interestingly, however, by the mid-nineteenth century, faced with the challenges posed by European colonial expansion and having to deal with the issue of modernization, some Muslim intellectuals developed their own version of the culturalist thesis, seeing Islam as either the source of their problems or the key to their solution. Only a few groped with the complexities of their situation and attempted to develop an Islamic version of modernity.

Colonial Expansion and Muslim Responses to the Challenge of Modernization

European colonial expansion predated the emergence of modernity. Portuguese, Dutch, and Spanish colonial expeditions to Asia and the New World date back to the late fifteenth and early sixteenth centuries.[32] However, the systematic quest for colonies and, absent that, the acquisition of special privileges from weak states and societies began in the late eighteenth century and continued unabated until the outbreak of World War I, although some colonial empires would last for another 50 years.

By the early nineteenth century, the major European powers—notably Britain, Russia, and France—began to expand their influence into Muslim lands, eventually incorporating them into their imperial domains or turning them into colonies and semi-colonies. As a result of this expansion, the issue of the Muslim world's backwardness in terms of modernization became a major preoccupation of Muslim intellectuals and governments, because the gap in modernization had been translated into a gap in economic and military power leading to the domination of Muslim countries by European powers. Hence, modernization became imperative as a defense mechanism. This aspect of modernization, namely its "defensive character" in response to an "external challenge," came to affect the whole process of modernization in the Muslim and, indeed, all non-European countries, and came to shape the debate about the vices and virtues of modernization.[33]

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32. The Portuguese began establishing a presence in what is now Indonesia at the beginning of the sixteenth century. The Portuguese also made their way to the Persian Gulf capturing the port of Hormuz in 1514 and the Kish Island in 1507. The Dutch unseated the Portuguese from Indonesia and established a full-fledged colony there. The British and the French began their colonial ventures by the middle to late seventeenth century.

In examining the causes of their own decline and searching for ways to arrest and reverse it, the Muslim intellectuals developed their own culturalist interpretations by emphasizing cultural factors as the main cause of their decline. Some Muslim intellectuals saw Islam, at least as presented by the religious establishment and estranged from the intellectually dynamic aspects of its golden age, as the primary impediment to progress and the main culprit for the decline of the Muslim world. For this group of Muslim intellectuals, the solution lay in the total embrace of the European model of modernization, including the secularization—or as Max Weber put it, the "disenchantment"—of the social and political sphere. Indeed, from at least the mid-nineteenth century, reforms based on this view were undertaken in several Muslim countries, such as Egypt, the Ottoman state, and with less success Iran. Meanwhile, the impetus and incentive to modernize as a result of the colonial encounter was checked by the interests and policies of colonial powers, which often saw the Muslims' modernizing efforts as running counter to their strategic and economic interests. In other words, the colonial presence created a tension by, on the one hand, generating an impetus to modernization and in some cases even initiating it and, on the other hand, simultaneously posing obstacles for its achievement.

Other Muslims attributed the Muslim world's decline to its peoples' turning away from the true path of Islam. For this group, the cure was a faithful application of Islamic principles. In Iran, those who, in the late nineteenth and early twentieth centuries, were asking for the establishment of a government based on Shari'a were representatives of this way of thinking. This trend presaged the revivalist movements of the last three decades. Others resorted to syncretic approaches, by trying to modernize while retaining some fundamental cultural and religious values.

In short, three main intellectual trends emerged in the Muslim world in response to the challenge of modernization, and they still characterize that intellectual landscape—namely, emulation, rejection, and selective adaptation of the Western experience of modernization. E.C. Black has correctly identified the debate in the late modernizing countries, such as Russia, China, Japan, and a number of Muslim states, from the first encounter with the challenge of modernity as being about "the relevance and applicability of foreign models." Today, as two centuries earlier, opinions tend to "polarize" around such issues as "…the wholesale acceptance of foreign models versus a complete rejection of them, and a belief in the universality of the institutions evolved by the early modernizing societies versus a selective adaptation of native institutions to the functions of modernity."[34]

However, this type of discourse in response to encounters with modernization and, more so, to the process of emulation of European modernization was not limited to the Muslim world. Rather, it also appeared in Russia, Japan, China, and other non-European modernizing societies.[35]

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33. E.C. Black, *The Dynamics of Modernization* (New York: Harper & Row, 1966), p. 96. The impact of this factor is particularly important in terms of political change and transition from traditional to modern institutions and leadership.

34. Ibid., p. 97.

Be that as it may, for nearly a century the modernization paradigm dominated the social, economic, and political discourse and action in the Muslim world. But with the rise of the Soviet Union representing a noncapitalist socialist form of modernization, the Western/European model was not the only one inspiring the Muslim countries.

The Cold War: Rush to Close the Modernization Gap and the Eclipse of Culture

The emergence of the Soviet Union at the end of World War II as a major military and economic power in competition with the West for shaping the economic and political future of the world fundamentally altered the international context within which the modernization efforts of the Muslim countries—and indeed, other non-Western states—were carried out. Since one key battleground of this East-West competition was the underdeveloped or the Third World, the issue of its modernization acquired acute political and strategic importance for the two protagonists. The West viewed the perpetuation of the underdeveloped state of the Third World as providing fertile ground for the spread of socialist ideas, thus providing opportunities for the Soviet Union to make political and strategic gains at the West's expense, but which could be offset by Western-style modernization.

The Soviet Union, meanwhile, seized on the same considerations to market its model of modernization as the fastest, most efficacious, and most socially just approach. The result was an emphasis on closing the development—read modernization—gap between the advanced and underdeveloped countries. The high importance of this goal, at least in theory, meant that those nontangible enabling or hindering factors of modernization, such as culture or religious specificities and proclivities, could not be given too much weight by either the scholars of the development process or development professionals. Of course, the cultural variable was not ignored by development scholars, nor was the importance of a change in traditional values and attitudes in fostering modernization. However, during the 1950s and 1960s, most development experts and theorists assumed that, once physical modernization in the form of industrialization, urbanization, and the establishment of adequate bureaucratic and state institutions reached a certain level, other changes, including in cultural values and attitudes, would also occur. In short, once physical modernization reached a certain level, modern values such as seculariza-

35. In Russia, for example, the process of modernization that began under Peter the Great caused a reaction in the form of the Slavophile movement and created a debate between its adherents and the so-called Westerners whose basic themes are resonant in present-day Russia. In Japan, although no ideological movement similar to Slavophilism developed, those who had suffered as a result of the changes of the Meiji period turned to new religions and miracles. Similar movements appeared after World War II and Japan's rapid economic takeoff. A common theme running through these religions and cults is the dispiritualization of the modern world and the socially and ethically ill effects of industrialization, which have bred excessive individualism. See Winston Davis, "Religion and Development: Weber and the East Asian Experience," in Myron Weiner and Samuel P. Huntington, eds., *Understanding Political Development* (Boston: Little, Brown, 1987), pp. 254–7.

tion of the social and political space and greater emphasis on individuals would replace traditional cultures.[36]

Furthermore, the modernizing theories of the 1950s and 1960s emphasized economic development, measured in terms of growth calculated on the basis of annual percentage increase in GDP. The distributive and social justice aspects of development were not given much attention, because it was assumed that, once economic growth reached a certain level, those goals would automatically be achieved through a trickle-down process. No specific and direct connection was made between cultural specificities and the prospects of success in modernization. This approach to the process of modernization is best reflected in the "stage theory" of modernization.[37]

By the early 1970s, the optimism of the previous two decades about the speed of success of the process of modernization in the underdeveloped world had evaporated, thus leading to a reappraisal of theories about the prerequisites for successful modernization and to a search for new solutions and approaches. Criticism was voiced by Western scholars and Third World intellectuals and political leaders.[38] This criticism ranged from "the failure of developmentalism to deal with the special conditions and cultural backgrounds of the underdeveloped nations," voiced by Douglas Chalmers, to the often ahistorical and apolitical character of many development theories.[39]

An important part of the reappraisal was drawing attention to the international context within which the process of modernization was being carried out and putting emphasis on those systemic factors that tended to stifle modernization. This concern with the international context of modernization had both a historical and contemporary dimension. Within the historical perspective, some authors emphasized the importance of the colonial experience during the periods of mercantilist and capitalist expansion.[40] The most important theses focusing on international

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36. Daniel Lerner, *The Passing of Traditional Society: Modernizing the Middle East* (Glencoe, Ill.: Free Press, 1958).

37. The most influential representative of this theory was W.W. Rostow. In his *Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge: Cambridge University Press, 1960), he identified five stages of development: (1) traditional society; (2) pre-conditions for takeoff; (3) takeoff; (4) drive toward modernity; (5) age of high mass consumption. He later added a sixth stage "the search for equality." He elaborated this theme in his *Politics and the Stages of Growth* (Cambridge: Cambridge University Press, 1971). The theory of stages was applied to political development as well: A.F.K. Organski, *Stages of Political Development* (New York: Knopf, 1965). At the end of the four stages that he identifies as (1) primitive national unification, (2) industrialization, (3) natural welfare, and (4) abundance and mass consumption, the Third World will be transformed from a state of underdevelopment to that of capitalist democracy accompanied by abundance and mass consumption.

38. For a brief analysis of these criticisms, see Ronald H. Chilcote, *Theories of Comparative Politics: The Search for a Paradigm Reconsidered* (Boulder, Colo.: Westview Press, 1994).

39. Quoted in ibid., pp. 226–30.

40. André Gunder Frank was among those who drew attention to the impact of the colonial experience and challenged many concepts underlying the developmentalist thesis. See his "The Development of Underdevelopment," *Monthly Review* 18 (September 1966) and *Capitalism and Underdevelopment in Latin America: Historical Studies of Chile and Brazil* (New York: Monthly Review Press, 1967).

factors as explanations for the failure of modernization in the underdeveloped world were those of center-periphery relations and dependency.[41] A practical consequence of this reappraisal was a demand from the developing world for fundamental reform in the international economic system and the establishment of what these countries termed a "New International Economic Order (NEIO)."[42] The debate on the creation of a NIEO was carried out within the United Nations and various high-level conferences on the North-South Dialogue during the 1970s. An NIEO was supposed to include better terms of trade and better access to capital and technology for the developing countries.

The New International Laissez-faire and the Return of Culture

The 1980s witnessed the end of developmentalism on the part of major industrial states, notably the United States and Britain, and the dawn of a new form of laissez-faire and trusting in market forces to resolve economic problems. The so-called North-South dialogue, along with talk of reforming the international system in order to make it more congenial to developing states, thus, lost its currency.

Meanwhile, the rise of Japan as a formidable economic power and the success of a number of East Asian countries (notably South Korea, Taiwan, Singapore, and to a lesser extent, Thailand), followed by China, raised the issue of the relationship between cultural characteristics and prospects for success in modernization, at least in economic terms.

For example, despite earlier views, such as those expressed by Weber, that perceived Confucianism as an obstacle to modernization, a number of works by Western scholars, such as Roy Hofheinz and Kent Calder in the early 1980s, attributed the economic success of East Asia to Confucianism.[43] However, as pointed out by Winston Davis, neither of them explains "the different rates of development within the region in terms of religion."[44] A Japanese author, Michio Morishima, explained this difference, particularly in relation to China and Japan, in terms of the kind of Confucianism that developed in Japan under the influence of Japan's samurai tradition.[45]

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41. There are different interpretations of the dependency theory. A major proponent of this theory was Rául Prebisch of Argentina. An underlying characteristic of the dependency theory is the division of the world into an industrial center and an underdeveloped periphery producing raw materials. For a discussion of various dependency theories, see Chilcote, *Theories of Comparative Politics*, pp. 230–44.

42. The call for a new international economic order in the 1970s was in fact prompted by the oil crisis of 1973 and the new-found, albeit ephemeral, influence of Third World countries. See Jagdish Bhagwati, ed., *The New International Economic Order: The North-South Debate* (Cambridge, Mass.: MIT Press, 1977).

43. Roy Hofheinz Jr. and Kent E. Calder, *The Eastasia Edge* (New York: Basic Books, 1982).

44. Davis, "Religion and Development," in Weiner and Huntington, eds., *Understanding Political Development*, p. 235.

45. Ibid.

Meanwhile, certain developments in the Muslim world (notably Iran's Islamic Revolution of 1979, the Soviet-Afghan war of 1980–1988 where the Afghans fought under the banner of Islam, and the rise of Islamist movements in other parts of the Islamic world), strengthened the always-present view that Islam is a hindrance to modernization. What this conclusion has overlooked, however, is that many of the characteristics of Confucianism, such as its stress on harmony, decorous or ritualistic behavior, social consensus, and consultation, also exist in Islam. Moreover, Islam is more egalitarian, with less emphasis on hierarchy and more stress on the rule of law—albeit divine law—which are considered traits conducive to modernization. And yet, the Muslim world has not achieved the same success as the East Asian countries. This observation leads to the conclusion that other factors must have been at work in determining the difference between East Asian and Muslim experiences.

The end of the Cold War and later the Soviet Union's disintegration, with the accompanying discrediting of communism, intensified the laissez-faire tendencies of the 1980s, under the overall concept of globalization. The Soviet Union's collapse, by creating an ideological vacuum, also created a more receptive environment for the enunciation of culturalist paradigms to explain a panoply of international issues, including modernization and democratization disparities in the world.

Democracy and Culture

The European experience of modernization in the nineteenth and twentieth centuries, as well as the experience of late modernizing non-European states, demonstrated that modernization, including secularization of public space, need not be accompanied by democratization.[46] Yet, during the height of optimism regarding the prospects for success of the modernization process in the underdeveloped countries in the 1950s and 1960s, the expectation was that physical modernization, including rising levels of literacy and the establishment of efficient governmental and bureaucratic structures, would eventually lead to democratization. Some even hoped that democratization and modernization could go hand in hand. However, this idea was soon abandoned in favor of two-stage development, with the first stage consisting of building and/or consolidating state structures and economic development and the second stage including movement toward democ-

46. To illustrate, both Germany under the monarchy and the Austro-Hungarian Empire had very weak parliaments, and the monarch retained extensive prerogatives. As to Germany, its experience with democracy after World War I was short-lived and ended with the rise of Nazism. It was only after World War II, within the new geopolitical and institutional context of Europe, that German democracy began to take root. The same was more or less true of Italy. Other southern European nations, notably Spain, Portugal, and Greece, only became democratic in the 1970s. Here, too, external factors, notably membership in the European Community (now the European Union) facilitated the democratic transition. The East European nations' experience with democracy during the interwar years came to an abrupt end with the outbreak of World War II, their later domination by the Soviet Union, and the establishment of Soviet-style authoritarianism.

ratization. For most of the developing countries of Asia and Africa, which lacked any experience of statehood or nationhood, much less adequate state structures, this theory of development was compelling. Thus, they focused on state and nation building even if this meant adopting a strategy of political centralization and cultural homogenization, nationalist ideologies capable of mobilizing the masses at the expense of nurturing of pluralistic democracy, and resort to charismatic leadership. However, even this phenomenon has not been limited to non-Western societies. In Europe, too, in countries such as Germany and Italy where the process of national unification occurred late, the process of democratization was also late, uneven, and difficult.[47]

Furthermore, the underdeveloped state of developing countries' infrastructure and economies meant that the spur to modernization had to come from the state. An additional impetus to a greater role for the state was the fact that, by the time the vast majority of Asian and African countries embarked on systematic modernization, the socialist system of modernization in the shape of the Soviet Union had gained adherents among their intellectual and political elites. A main attraction of the Soviet model was that it had succeeded in turning Russia into a powerful industrial country in a few short decades. However, for reasons noted above, even in those countries that did not choose the Soviet model the state assumed the primary role for modernization. More importantly the state became the main employer.

Another factor that strengthened the role of the state was the nature of the post–World War II international system and politics. The East-West rivalry tended to exacerbate the internal tensions and contradictions of these countries, as both sides tried to manipulate them to further their influence, thus internationalizing and securitizing their internal development. Meanwhile, regional conflicts became internationalized as the two protagonists fought proxy wars in Asia and Africa.

The upshot of these developments was the strengthening of the state apparatus at the expense of society, the emergence of a bureaucratic rather than entrepreneurial middle class, and in most cases, undue influence of the military over all aspects of national life, either directly or behind the scenes.

Meanwhile, the fruits of this state-driven modernization were meager and, in some cases, catastrophic in terms of those indicators of economic and social progress that many political and social scientists have viewed as either necessary for democracy or at least as facilitating factors.

According to Seymour Martin Lipset, "From Aristotle down to the present [1959], men have argued that only in a wealthy society in which relatively few citizens lived in real poverty could a situation exist in which the mass of the population could intelligently participate in politics and could develop the self-restraint necessary to avoid succumbing to the appeals of irresponsible demagogues. A society divided between a large impoverished mass and a small favored elite would result

47. Among the factors affecting the course and shape of the process of modernization, notably political, E.C. Black includes the following: "Whether the society enjoyed a continuity of territory and population during the modern era or underwent a fundamental regrouping of lands and peoples." See Black, *The Dynamics of Modernization*, p. 96.

either in oligarchy (dictatorial rule of the small upper stratum) or in tyranny (popularly based dictatorship)."[48]

Lipset maintained that there are direct linkages between industrialization, urbanization, and education on the one hand and democratic governments on the other.[49] By the 1970s and early 1980s, however, it had become clear that increases in overall wealth, urbanization, and education were no guarantee of advance toward democratization. For example, a number of countries in southern Europe, Latin America, and East Asia, underwent rapid development without democratization. Spain under General Francisco Franco underwent significant development in the 1960s and 1970s; however, democratization had to wait the passing of Franco and took a while to consolidate.[50] The experience of Latin America also provides a mixed picture as far as the correlation between development and democracy is concerned.[51] In East Asia, with the exception of postwar Japan, development and extensive industrialization took place within politically authoritarian regimes. However, in nearly all cases, advances under authoritarian regimes appear to have made the transition to democracy easier.[52]

This situation derives from the fact that development generally gives rise to new classes made up of entrepreneurs, industrial workers, and intelligentsia, which then demand a political voice, a demand that can only be accommodated within a more democratic and open system. Development also encourages cultural changes including attitudes toward religion and the emergence of a political culture more supportive of democracy among a considerable stratum of the population. However, a large number of countries achieved a considerable level of development, accompanied by important changes in their traditional social and class structures, but did not move toward democratization. Thus, the idea that some cultures are incapable of adapting to conditions necessary for democracy became dominant in the late 1980s and the early 1990s. Moreover, the overall culture of societies and their inherent and supposedly immutable characteristics, rather than merely their political traditions, came to be seen as the most important variable in determining the prospects for success in the democratization process. Writing in 1994, Seymour Martin Lipset, one of the early proponents of a close linkage between socioeconomic indicators and the prospects for democracy, said, "Cross-national historical

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48. Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review* 53, no. 1 (March 1959): 75.

49. Ibid.

50. For example, in 1977, the military upset by the legalization of the Communist Party came close to derailing the democratic process. King Juan Carlos's influence with the military and his commitment to democracy was instrumental in preventing such a development.

51. Jorge I. Dominguez, "Political Change: Central America, South America, and the Caribbean," in Weiner and Huntington, *Understanding Political Development*. Chile under General Augusto Pinochet is a good example of economic development within an authoritarian political system. See Veronica Valdivia Ortiz de Zarate, "Terrorism and Political Violence in the Pinochet Years: Chile, 1973–1989," *Radical History Review* 85 (Winter 2003).

52. Larry Diamond, "Introduction: Political Culture and Democracy," in Larry Diamond, ed., *Political Culture Democracy in Developing Countries* (Boulder, Colo.: Lynne Rienner Publishers, 1993).

evaluations of the correlates of democracy have found that cultural factors appear even more important than economic ones."[53]

Furthermore, in this new culturalist interpretation, religion and religious propensities are viewed as the primary determinants of a society's democratization potential. According to the new culturalist thesis, Islam is especially impervious to democratizing influences. The next runners-up are Confucianism and Orthodox Christianity. It is only Protestantism that is positively correlated with democracy.[54] The common thread running through all these non-Protestant religions is the close relationship between religion and state and the spiritual and temporal domains. However, these newly embraced cultural determinants fail to explain the democratic transformation of a host of countries that belong to religious traditions considered hostile to democracy. Paramount among these are the Catholic countries of southern Europe and Latin America, plus Austria, and in more recent, times Poland, Hungary, and the Czech Republic.[55] Greece is an Orthodox country that has made a successful transition to democracy. The process of democratization in Taiwan and South Korea shows that Confucian societies are not impervious to change. In all these cases, considerable economic growth and a favorable external environment have played important roles.

This historical record inevitably leads to the conclusion that the most pertinent question to ask when assessing the role of culture in the process of democratization and, indeed, modernization is what combination of factors helps or hinders the evolution of a culture in directions more conducive to the establishment of a democratic order.

Limits of the Culturalist Thesis—the Search for a More Complete Explanation

In summary, the foregoing has demonstrated that the historical experience of modernization and democracy, both in their birthplace in Western Europe and in non-Western societies, have followed multiple and uneven patterns. It has also indicated the limits of the culturalist explanation and pointed to the fact that a multiplicity of social, economic, and political factors, in addition to cultural and religious traits, has affected the shape and pace of modernization and democratization. A number of important works, some referred to here, have identified many of these factors. Barrington Moore's book, *Social Origins of Dictatorships and Democracy*,[56] also

53. Seymour Martin Lipset, "The Social Requisites of Democracy Revisited," *American Sociological Review* 59, no. 1 (February 1995): 5.

54. The following quotation from Lipset illustrates this point, "Historically, there have been negative relationships between democracy and Catholicism, Orthodox Christianity, Islam and Confucianism; conversely, Protestantism and democracy have been positively interlinked." Lipset, "Social Requisites Revisited," 8, 9, 10, 17.

55. Huntington has attributed this process to the changes that occurred in the 1960s and 1970s "in the doctrine, appeal and social and political commitments of the Catholic Church." Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991), p. 281.

demonstrates the importance of other factors beyond culture in determining the course of modernization and, in particular, whether it is accompanied by the establishment and consolidation of a democratic form of government.

The foregoing also highlighted the importance of the external context within which the modernization process takes place, as well as the impact of major life-changing events in the history of nations and countries. In this context, the colonial encounter has been particularly important for the overwhelming majority of non-European states, and the legacies of this experience are still important factors in their process of modernization. Recognizing the importance of the colonial experience is not to suggest that all its consequences were negative. It is merely to point out that this experience created conditions that have affected the modernizing experience of ex-colonies. Similarly, pointing to the importance of other factors is not intended to disregard the significance of cultural variables. Rather, it is to emphasize the point that it is the interaction of cultural variables with other factors that determines the shape and path of countries' and societies' modernization and the issue of whether modernization is accompanied by democratization drawing on the experience of both European and non-Western societies. It is also to show that cultural traits and values are not immutable. Rather, changes in the economic and social structures of a society very often lead to cultural changes.

56. Barrington Moore Jr., *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World* (Boston, Mass.: Beacon Press, 1966).

CHAPTER 2

The CSIS Study

Organization and Methodology

The present CSIS study was organized in recognition of the fact that single factor explanations, notably one based on cultural determinism, cannot adequately account for the Muslim world's modernization and democratization shortcomings. Rather, any effort at explaining the reasons for the Muslim world's current predicament should take into account a wide range of factors and their interaction. It is also in this way that certain fundamental themes can emerge which can help fashion appropriate policies by Muslim countries and the external actors to remedy the current situation. Furthermore, recognizing that a comparative approach to the modernizing experience of Muslim and non-Muslim developing states, as well as those that have already achieved substantial success in both modernization and democratization, will help put the role played by cultural factors in its proper perspective. This informed the basic methodology of the study.

In light of the foregoing considerations, the study was divided structurally into three interlocking sections, each to be addressed by a study group. These groups considered the following issues:

- Cultural factors and the question of Islam's uniqueness;
- Internal causes of the slow progress of modernization and democratization; and
- External factors.

In order to emphasize the historical and comparative dimensions of the study, several regional and country-specific case studies were also prepared.

In the course of the discussions of each study group and their joint meetings, it became clear that it would be impossible to achieve complete consensus on all issues, including definitional, or on recommendations. Nevertheless, a number of major themes emerged that enjoyed a good degree of support among the participants. In turn, these broad themes pointed to the kinds of reforms and changes needed to be carried out by Muslim states, societies, and external actors in order to eliminate some of the obstacles to the Muslim world's modernization and democratization, or at least to reduce their hindering impact.

CHAPTER 3

Principal Themes Emerging from the Study

Major Themes

A number of important themes emerged from this project's papers and the study groups' discussion, and these are described briefly below.

Modernity and Responses to It: The Importance of the Historical Approach

A principal theme to emerge from the study is the importance of a historical approach to the phenomenon of modernity and a recognition of its gradual and complex evolution in Europe, as well as its spread beyond its European birthplace and the different forms it has taken in different places.

Both in relevant papers and in discussions, it was emphasized that a historical approach will show that modernity was not always the result of a self-conscious act of creating something new. Nor was it a uniform or linear process. For instance, many of those individuals considered as fathers of modernism, including religious reformers such as Martin Luther and John Calvin, did not see themselves as creating something new. Rather they saw their role as bringing back the essence of past truths, although certain developments, such as the emergence of aggressive secularism against what was regarded as clerical obscurantism, were self-consciously modern. Such an approach also shows the importance of timing in the process of modernization, especially regarding the means of its realization and its outcome. The means were also affected by whether modernization was an indigenous phenomenon or imported. For example, the modernization of England and France, the pioneers of European modernization, occurred within a basically liberal model because a large number of indigenous factors facilitated its emergence and expansion without an overall plan. But in Germany and other European latecomers to modernity, modernization was not a more-or-less spontaneous and incremental outcome of social and economic developments but rather the result of a conscious plan of "catching up." This difference in timing and means, in turn, determined the economic, social, and political outcomes of modernization.

The means of modernization of the non-Western modernizers were even more fundamentally different from those of late-modernizing European countries—and with deeply different outcomes. A fundamental distinction between the early and late modernizers is the role played by the state as agent of modernization in the case of the latter. State-led modernization is often incomplete because, frequently, it is

not accompanied by democratization. However, societies having undergone state-led modernization in many cases have made a transition to democracy.

This reality raises three important questions:

1. Are there multiple modernities? That is, can some modernizing societies—in the past or now—be considered modern, based on such criteria as the partial separation of society from the state, a high degree of secularization, and an economy based on market rationality?

2. What is the relation between the level of modernity and the character of political institutions?

3. Can a society be modern without some form of representative government and guarantees for certain basic human rights?

In response to these questions, some participants pointed to the risks involved in excessive "relativism," because if "relativism is taken to the extreme, it makes concepts so elastic that they lose all analytical utility." Therefore, there is a limit to how far countries can pick and choose from the European experience and still consider themselves modern. Others, however, stressed the importance of relating the process of modernization to the cultural environment of various countries if it is to succeed. However, there was a general consensus regarding the importance of political and institutional factors, such as representative forms of government and respect for basic human rights as forming the underlying characteristic of a modern society.

Typology of Responses to Modernity: Schematization of the European Experience

The second important theme was that, since modernization occurred at different times and at different paces within particular societies, there have been different responses to it. What is interesting is that the main types of responses to modernization can be observed across cultures. This fact argues against the view of Islamic exceptionalism and shows that neither civilizations nor religions alone can explain the nature of responses to modernity. These responses, in turn, have resulted from an ahistorical approach to the study of modernity and modernization in both Western and non-Western societies, an approach that has led to the schematization of both Western and non-Western societies and experiences. In this schematized version, culture becomes ideologized and a tool for mobilization and action.

In the non-Western world, the West is schematized as an ideal type identified with Western history, thus giving rise to a series of stereotypes—good and bad—used to interpret reality. In the West, a similar process has led to simplification of other societies as an undifferentiated reality—whether as a "dependent world," a "traditional" world, or some other general category.

There have been four types of responses to modernity across cultures:

- Revolutionary innovation. Those deeply critical both of their own civilizations and cultures and of the West are attracted to this form of response. In the twentieth century, anarchism and communism were the principal instruments of revolutionary innovation. In non-Western countries, various versions of Marxism were appealing because they provided the ideological justification to

attack the domestic situation and the West. These old forms of revolutionary response, based on Marxism, have been discredited, but it is conceivable that new ideas critical of both indigenous cultures and Western modernity could emerge.

- Integralism. This response is based on the perception of traditional culture's superiority to exogenous ideas and as best suited to treat present ills. Integralism, while claiming to be a restoration of indigenous traditions is, in fact, an ideologized and selective version of the past. In that sense, it is as innovative as the modernity it aims to counteract. Examples of integralism include Slavophilism in Russia, Meiji Shintoism, varieties of Islamist ideologies, and the Hindu nationalist movement attempting to develop Hinduism into a more ideological construct. The integralist response defines the world in terms of polar opposites, in the form of an authentic tradition and an external assault on indigenous truths. Different varieties of integralist responses, from Slavophilism to Islamism, emerge from an oppositional stance toward the West and an idealistic reading of indigenous culture and history. However, despite having its roots in the past, the methodology of integralism, notably Islamism, is modern as it ideologizes religion in ways not seen in traditional interpretations. Hence integralism incorporates elements of the modern.[57] This also shows that the process of modernization, even if uneven, has a cumulative impact which cannot be eliminated and which influences the thinking of those who want a return to old traditions.
- Westernism. This response is based on the belief in the superiority of Western modernity and Westernization as providing an answer to contemporary problems. However, those in non-Western societies attracted to Western modernity have a selective version of its meaning. Some—especially secular intellectuals—emphasize the social dimensions of Westernization, hoping for the liberation of society and freedom from governmental tutelage. Political elites, by contrast, are attracted to such aspects of Western modernity as the centralization of power and the creation of effective bureaucracies, modern armies, and functioning economies.
- Synthesis. This response is based on the idea of combining what is best in the traditional society with the most positive features of modernity. Examples of synthesis can be seen in pre-socialist China, Japan, and the Muslim world.

All non-Western societies have experienced most types of the responses to modernity described above. In the Muslim world, currently the integralist, Westernist, and synthesis tendencies are observable. However, the strength of each tendency differs from country to country, depending on a number of variables, including the relative social and political weight of the bearers or agents of each tendency in the broader society. What this means is that "any mechanical essentialism that identifies a particular society with a separate and unified cultural response

57. Shmuel N. Eisenstadt, "The Reconstruction of Religious Arenas in the Framework of 'Multiple Modernities,'" *Millennium: Journal of International Studies* 29, no. 3 (2000).

to modernity is an inadequate tool for analyzing the question of modernity and responses to it. Rather, continual historical change must be the analytical postulate. Patterns within particular societies must be related to transnational issues, such as common imperatives of modernity and the diffusion of cultural models from one society to another."

Islam and Modernity: Are They Compatible?

The first point emphasized in this context was the importance of a degree of definitional clarity in describing concepts such as "modernity" and "modernism." It was noted that "modernism refers to a philosophical approach to certainty that relies primarily on reason rather than revelation." "Modernity" is generally understood to mean the economic and sociopolitical transformation of Europe that followed the scientific and technological: developments flowing from the rationalist way of thinking and methodology. This transformation also includes a shift from reliance on religion as the basis of political legitimacy to other nonreligious sources, ultimately leading to democracy. In practice and in the course of everyday usage, the terms have been used interchangeably. This has led to a degree of confusion about the meaning of these terms, leading some Muslims to reject modernity because it is based on rationalism, which they see as rejection of faith. Yet, mainstream Western rationalism is not constructed in opposition to faith, although rationalism sought to counteract clear fallacies advanced by religious authorities. Viewed in this context, there is a strong rationalist tradition in Islam, as it considers reason as an important if not dominant value in human life.

It was pointed out that, while radical Islamists reject rationalism because they equate it with the rejection of religion, other Muslim leaders and intellectuals embrace rationalism and modernity as being fully compatible with Islam. These Muslims call for a restoration of the Islamic rationalist tradition. Some go as far as claiming that Muslims, even before Europeans, had experienced their own phase of modernity and modernization, as evidenced by the methodology and rationalist discourse of Muslim scientists and philosophers, such as Al-Biruni, Ibn-Sina, and Ibn Rushd. But later Muslims largely forgot this tradition, thus making it possible for reductionist Islamists to consider rationalism as anti-faith and hence un-Islamic. Yet, even the Islamists do not reject science and technology and the material benefits accruing from them. Quite the contrary, they believe that Muslims should acquire scientific and technological know-how, in order to protect Islam and Muslims. It is mostly in the social, cultural, and political arenas that they are averse to the use of the rationalist approach.

It was also noted that, although a large number of Muslims reject secularism as a comprehensive system of thought and guide to the organization of society because of its supposed opposition to religion, they support pluralism, which opens the way for democratic rule. A number of discussants pointed out that the root of the opposition to modernity among some Muslims should be looked for in the Muslims' first experience with modernity, which coincided with colonialism. Thus in the eyes of many Muslims, modernity became more-or-less equated with colonialism and Western domination of the Islamic world. This phenomenon has led to

a rejection of modernity by a segment of Muslim populations, as an emotional and defensive response to colonialism and Western domination.

Islam and Democracy

A major theme emerging from discussions on the topic of Islam and democracy, as well as points of divergence and convergence between the two, was that this debate should become less insular and abstract. By "less insular" is meant that the debate on Islam and democracy should be conducted in the broader context of the experience of democracy in other cultures. By "less abstract" is meant that various concepts—Islamic and democratic—should not be divorced from their historical context, again pointing to the importance of a historical approach.

Another important theme was that, in comparing Islam and democracy and assessing the degree of their compatibility, it is important to be clear which Islam and which democracy are being compared. This is so because the verdict of compatibility or incompatibility depends on the definition. Depending on what definitions of Islam and democracy are used, competing theses are advanced in support of either compatibility or incompatibility. Yet, neither democracy nor Islam can be easily defined in monolithic forms. Democracy has evolved from its beginnings in the eighteenth century, and present Western liberal democracy bears little resemblance to those earlier forms of democracy, which have some requirements of democracy but lack others. Therefore, it was stressed that democracy is an evolving and multifaceted concept, and in comparing it with Islam, one must be clear what form of democracy one has in mind.

Islam also provides a wide spectrum of principles and symbols that can be used to construct either an authoritarian system or a democratic order. Moreover, Islam is interpreted differently by Muslims. Clearly, the radical Islamists view Islam as incompatible with democracy, while others see no incompatibility, and some even believe democracy is essential for a true Islamic society. Historically, however, Muslim societies, like their counterparts in pre-modern Europe, were ruled according to an authoritarian model. It is this historical legacy of authoritarianism coupled with a reductionist reading of Islam by some Muslims, rather than Islam as a faith, that have contributed to the slow progress of democracy in the Muslim world.

Modernization as a Barrier to Democratization?

The discrepancy in levels of modernization and democratization in the Muslim world raised the question whether the process of modernization as carried out in the Muslim world has not impeded the establishment and consolidation of democracy. It was noted that the Muslim experience can best be understood by recognizing the underlying tension within modernity between authoritarian centralization, liberalization, and equality.

For historic and other reasons, modernization in the Muslim world was focused on state building by creating more effective and centralized bureaucratic and military institutions. Economic modernization has also been state driven. Considering the fact that postindependence Muslim modernization was carried out on the foundation of colonial era authoritarian modernization, the whole process has

tended to limit rather than expand the level of popular political participation. To the extent that modernization has strengthened the state vis-à-vis society, the former has acted as a hindrance to the development of democracy. It was also noted, however, that the tension between state building, modernization, and democracy has been acute in all late-modernizing states, including some major European countries—such as Germany and Italy—where the emergence of nation-state was a late phenomenon.

Culture and Development

It was generally agreed that cultural structures, values, and attitudes exert a degree of influence over the process of development. For example, the importance of extended families and the prevalence of patriarchal systems dampen individual initiative and hinder the full integration of women in the social and economic life of Muslim countries. The impact of these traditions tends to increase wherever they are endowed with religious significance, even if they do not derive from religion.

Other cultural attitudes, such as those regarding patterns of savings and productive and distributive aspects of the economy, also influence the process and nature of development. Nevertheless, it was also stressed that these factors are neither the determining forces of development nor impervious to change. The experience of southern European countries, notably Italy, Spain, and Greece, as well as the experience of some Asian countries, shows how economic change leads to a shift in cultural values and attitudes. It was generally agreed that economic choices and practices of Muslim governments and the nature of their economic and political systems play more important roles than cultural factors. It was also noted that different levels of development achieved by Muslim countries bear out this proposition.

Development and Democracy

The theme that economic development does not necessarily lead to democratization was evident throughout the project's presentations and discussions. A parallel theme emphasized the linkages between specific model of development and prospects for democracy. It was noted that those models of economic development that help the emergence of new economic and social groups, which challenge the authoritarian privileges of the state, create a more propitious environment for transition to democracy. This happens because the emergence of such forces changes the balance of power between government and society, causing a new political bargain between the two. This is what happened in East Asia, notably South Korea. Among various models of development, one that combines elements of market capitalism with elements of planned economies has proved to be most effective in creating conditions propitious to a transition to democracy. Successful cases of states adopting this type of development, or "developmental states," include Japan, South Korea, Taiwan, and Chile.

In substantial parts of the Muslim world, the nature of economic development has been such that it has not led to a shift in the balance of power between state and

society. Consequently, it has not elicited any necessity on the part of the government to renegotiate the political bargain with society.

Internal Impediments to Modernization and Democratization

A number of economic and political characteristics of Muslim countries have proved to be significant obstacles to their modernization and democratization. Some of these characteristics have historical roots, including the legacy of colonialism and the consequences of the anticolonial struggles. Among these are ethnically divided societies, weak national identities, and large and powerful militaries, whose influence permeates all spheres of life. Others are the result of these countries' size, resource structure, and the nature of their economic systems.

Economic System

A principal characteristic of the vast majority of the Muslim countries' economic systems is the excessive role of the state and the weakness of the private sector. This situation is the consequence of state-driven economic development and, in some cases, the adoption of a socialist model of development, whose structures have been difficult to reform, notwithstanding efforts to privatize and liberalize the economies. This dominance of the state in the economic life of society skews the balance of power in the state's favor and against society. In other cases, the rentier nature of the economies renders the governments independent from society. The energy-rich Middle Eastern and North African Muslim states are the prime examples of rentier economies. But other forms of rent deriving from other sources, including illegal sources such as drug trafficking, have also been important. The result, again, is strong states and weak societies. This imbalance in state-society relations enables the state to resist demands for political participation and accountability. This situation of limited financial demands of the state on society in exchange for limited or nonexistent participation is captured very well in a conversion of the dictum of "no taxation without representation" to "no representation without taxation." It was noted, however, that in the richest of the oil rentier states in the Persian Gulf, a group of economic actors with large amounts of capital abroad has emerged and is agitating for greater opening of politics even if not yet full-scale democracy.

Excessive Power of the Military

A principle feature of a majority of Muslim countries is the presence of large military establishments with extensive influence in all aspects of national life. Nearly all Muslim countries—like their non-Muslim counterparts in the Third World—have been under military rule for periods of varying duration. In most Muslim states today, the military exerts tremendous influence on the political and economic life of the country. Political influence is exerted either directly where a military or ex-military leader is head of state—Egypt, Tunisia, Pakistan—or indirectly, where a military leader acts behind the scenes—Algeria and Turkey.

The predominance of the military in the Muslim world has many roots, notably the military's role in the anticolonial and independence movements and its self-perception as the vanguard of modernization and nation and state building. In some cases, to these must be added the existence of territorial disputes with neighboring countries, plus the dynamics of regional and international systems that together have enhanced the political role and power of the military.

The growing symbiosis between the security services and the military—and the development in many cases of intelligence services within the military—has enhanced the coercive and controlling capacities of states, thus acting as barriers to a more open and participatory political system. The excessive power of the military also hampers modernization by diverting resources from development-related programs to military spending. Moreover, the militaries in the Muslim world have been able to adapt well to new economic and business environments and actually participate in them. This symbiosis between the military and economic actors prevents the development and maturation of economic actors independent from the state, thus helping to sustain the existing imbalance in state-society relations. Meanwhile, because the military enjoys special economic and social privileges, which are often based on ethnic and/or sectarian ties, instead of promoting a strong sense of national identity they create new fissures in societies. The ethnic and/or sectarian basis of the military in a number of Muslim countries makes them wary of democratization.

It was noted that the experience of the Latin American countries shows that, under certain circumstances, notably the emergence of deep factional cleavages within the military, one faction may decide to strike a democratic bargain with the civilian authorities. Often, however, the dimension of this bargain is narrow, and the particular faction of the military retains its influence. In the case of the African countries, it was noted that military leaders often simply give up their military rank and become president while retaining their links to the military. Consequently, no real change in the balance of power between the military and the rest of society emerges.

Social and Economic Factors

The existence of large-scale poverty, illiteracy, poor health conditions, and large income disparities impedes modernization and, more important, democratization of the Muslim world—although there are exceptions, as illustrated by Mali and Bangladesh, two poor but democratic Muslim countries.[58] These conditions also provide opportunities for extremist ideas, including those of radical Islamists, to become more attractive. This situation, in turn, inhibits efforts at democratization because of the fear that extremists could win within a democratic process and then subvert it and establish a religious type of authoritarianism. In some cases, this factor is used by governments simply as an excuse to avoid any opening of political systems and to exclude even moderate and liberal Muslims from participating in the political process.

58. However, growing economic problems are threatening the consolidation of Mali's democracy.

Gender Inequality

Despite significant gains by Muslim women over the last 50 years, most Muslim countries are still characterized by a large gender gap in economic, social, and political areas. This gender gap is a serious impediment to development because it contributes to high rates of population growth and renders half of the population unproductive. The exclusion of women from the political process limits the scope of any potential democratization. Although subject to more liberal and progressive interpretations, certain Islamic laws pertaining to women's status and family law hinder the closing of the gender gap. However, traditional patriarchal patterns of behavior toward women and their role in society are more significant hurdles because, without them, a more liberal reading of Islamic law would be possible.

External Factors

It was generally agreed that, in the last two centuries, external factors in the form of the nature of the international political and economic systems and the policies and actions of the great powers have played a largely hindering role in the twin processes of modernization and democratization of the Muslim world. However, there have been some exceptions to this rule. In the case of Turkey, external factors in the form of membership in NATO and the possibility of membership in the European Union have, in the last 50 years, helped it to modernize and develop. It was also noted, however, that this need not be the case in the future. Rather, external influences could exert a positive and enabling influence in these respects.

The Legacy of Colonialism

A number of speakers stressed the point that the Muslim countries cannot and should not continue to blame colonialism for their failures in modernization and democratization. Moreover, various case studies demonstrated the influence of different colonial systems in different contexts. To illustrate, the British rule in Malaysia helped its postindependence modernization within a by-and-large democratic order. The Dutch rule in Indonesia, by contrast, did not help its postindependence modernization within a democratic order. On the contrary, certain aspects of Dutch rule—such as direct rule in Java and indirect rule elsewhere—undermined Indonesia's cohesion. Preference given to Christian Indonesians by the Dutch colonial rulers sowed the seeds of dissent between Muslims and Christians. Nevertheless, there was a broad consensus that the colonial experience had distorted the natural evolution of Muslim societies and had complicated their task of state and nation building in the postindependence era. Among the major negative and distorting legacies of colonialism, the following were considered particularly damaging:

- Arbitrary borders and divided societies. It was noted that great-power gerrymandering had left most Muslim countries with borders that did not correspond to ethnic and sectarian realities on the ground. In some cases, such as Central Asia during the Soviet period, large ethnic minorities were left in differ-

ent countries as a tool of control for Moscow. The arbitrary and haphazard drawing of borders had given rise to intra- and interstate conflicts, which have adversely affected the process of postcolonial modernization and hampered democratization, since the latter is seen as potentially unleashing separatist movements or inviting external intervention. The most significant of these interstate conflicts has been the Arab-Israeli dispute, which has deeply affected the socioeconomic and political evolution of a number of key Arab states. It has also affected the Muslim world's intellectual development by, among other things, contributing to the rise of ultra-nationalist and Islamist ideologies.

- Economic distortion. The colonial experience also distorted the economic system of colonized countries and their natural evolution because whatever economic development took place was in relation to the needs and requirements of the colonial center. In particular, the flooding of the colonies' or semi-colonies' markets by industrial goods produced in the imperial center undermined local handicraft and prevented the domestic accumulation of capital and investment as local enterprises could not compete with cheap imported goods. This also hindered the emergence of indigenous entrepreneurial classes. Africa and Central Asia provide examples of negative consequences of the colonial pattern of development. In the case of semi-colonies such as Iran, rivalry between two imperial powers—Britain and Russia—inhibited early modernizing efforts.
- Impact on intellectual development. The colonial experience distorted the intellectual evolution of Muslim societies by changing or distorting indigenous notions and definitions of religion, ethnicity, and collective identity, thus sowing the seeds of later fissures within those societies. Moreover, because colonial expansion was accompanied by a total loss or serious dilution of the Muslims' sovereignty, the modernity embraced by Muslims acquired a defensive quality. Muslims sought modernization not because it was good in itself, but rather because it was necessary if they were to keep their independence or to recover it. Another aspect of this defensive reaction to modernity was the effort to protect religiously informed cultural traditions from alien intrusion. This aspect led to a greater politicization of religion and a greater degree of independence for the religious establishments in many colonies than was the case before.
- Consequences of the anticolonial struggle. Anticolonial struggles that often acquired a military component and a charismatic leadership contributed both to the emergence of strong militaries and to personality-based politics of mass mobilization within the context of a populist rather than democratic bargain. Both of these phenomena have acted as hindrances to a more participatory and institutional form of politics in the postindependence era, and the populist bargain has degenerated into rule by coercion.

The Impact of the Cold War

On balance, the East-West competition had a negative impact on the Muslim world's modernization and, even more so, its democratization, despite focusing

international attention on the question of the Third World's development, including that of the Muslim countries. The Cold War's negative consequences include the following:

- The example and encouragement of the Soviet Union led Muslim countries to experiment with various types of the socialist model of economic development. These experiments led to the growth of state-controlled economies at the expense of the development of an entrepreneurial class and a nonbureaucratic and nonstate-dependent middle class.
- Support of authoritarian regimes of right or left by the principal protagonists in the Cold War.
- Frustration of democratizing nationalists' efforts by generating fears in the competing camps that they could provide footholds for the other side.
- Exacerbation of regional conflicts by involving the two main protagonists. This, in turn, contributed to an increase in the power of the military a major impediment to democratization.
- Manipulation of Islam by both sides, but especially by the West as well as by Muslim countries, for the advancement of their political goals, especially in fighting the left both domestically and internationally. This led to an increase in Islam's political profile and enhanced its militant edge. The use of Islam to counter Soviet/Communist influence in Afghanistan was a particularly important turning point in this context. The negative fallout of the Afghan conflict is still bedeviling many Muslim countries. Pakistan's democratic evolution was adversely affected by the Afghan conflict and the rise of extremist Muslim groups.

Great Power Interests and the Muslim World's Modernization and Democratization

The goals of the Muslim world's modernization and democratization have not always, or even often, coincided with the strategic and economic interests of the great powers. Rather, the contrary has more frequently been the case. This has been particularly true in the case of democratization, as great powers have feared that more popularly based governments may be less responsive to their interests than authoritarian regimes controlled by a single individual or a military establishment. Thus, despite their rhetorical support for democracy, they have actively supported authoritarian regimes. In the last 25 years, because of the emergence of a revolutionary brand of Islam and an overall rise in Islam's social and political profile, the great powers' fear of potential emergence of Islam-based government has acted as an additional barrier to democratization as the authoritarian regimes have portrayed themselves as the only alternative to Islamist-dominated governments.

Oil and Democracy

The fact that the world's largest reserves of oil and a significant portion of natural gas reserves are located in Muslim countries, notably those of the Persian Gulf and

Central Asia, and the dependence of the major industrial powers on these reserves, have hindered democratization in the Muslim world. The desire to maintain secure access to oil resources at favorable prices has led major industrial powers to support nondemocratic regimes, fearing the implications of sociopolitical change on these important interests.

The proximity of a number of Muslim countries with large energy reserves to the Soviet Union, by conflating economic interest in oil and security concerns of key industrial states, puts a further premium on stability and the maintenance of the status quo rather than on encouraging sociopolitical change, which often translated into support for authoritarian regimes. In one case—that of Iran under Mossadegh in 1953—these twin concerns led to the active subversion of Iran's fledgling democratic process. With the disappearance of the Soviet Union, the oil interests of major industrial powers could induce them to encourage sociopolitical reforms more conducive to the establishment of more democratic forms of government, as the lack of such reforms came to be seen as potentially more threatening to these interests. Thus far, however, in the case of the post-Soviet Muslim states, the existence of oil and gas reserves, coupled with other strategic interests, has translated into great power acquiescence in the existence of authoritarian governments and even in some cases active support.

Characteristics of International Economic and Trading Systems

The international economic and trading systems have certain features that, coupled with structural weakness in the majority of Muslim countries, hinder their economic development and thus, to some degree, their democratization. The policy preferences of major industrial countries and the three main international economic institutions—namely, the World Bank, the International Monetary Fund (IMF), and the World Trade Organization (WTO)—also constitute important components of the present international economic and trading systems.

Disparity of Economic Power

The international economic system is characterized by a wide and so far unbridgeable disparity between a handful of industrially and technologically advanced states (the Group of 7 and the countries clustered around them[59]) and a much larger number of countries with various degrees of economic backwardness. All Muslim countries, including those rich in energy resources and with the possible exception of Malaysia, fall into this latter category. The roots of this disparity lie in the late development of the Muslim world and the patterns of economic relations and dependencies that developed during the colonial era. This disparity has made it impossible for underdeveloped or semi-developed countries to change those

59. With the inclusion of Russia, the Group of 7 (G-7) became the Group of 8 (G-8); however, in terms of economic power, G-7 is a better characterization, as Russia's admission was a political act and did not reflect its relative economic weight.

aspects of the system that are detrimental to their interests. Since the current system serves the interests of the dominant economies, the incentive for fundamental reform does not exist. The collapse of the Soviet Union has further eroded the willingness of the large economies to reform the international system.

Vulnerability to Shifts in Priorities of Major Economies

The majority of Muslim countries, like the rest of the developing countries, are highly vulnerable to the shift in consumption and investment patterns of the major economies. This vulnerability derives from the fact of their reliance on a single or few exports for their foreign exchange earnings, which they need to import a variety of industrial and other goods. Thus a shift in the pattern of demand of major importers of agricultural and mineral products can cut deeply into the exports and earnings of nonindustrial countries.[60] Although there has been considerable increase in the share of manufactured goods in the developing countries' exports, the successful penetration of the world markets for manufactured goods has been largely limited to Asian countries. Moreover, recent studies show that, despite increases in the share of manufactured goods, the terms of trade of developing countries has deteriorated. This deterioration has been particularly severe in the case of the poorest countries, including some that are majority Muslim.[61]

Trade Barriers

Despite decades of trade liberalization efforts in the context of various trade negotiation rounds, developing countries, to which category all Muslim countries belong, still face serious barriers to their exports. This is so partly because trade liberalization has been largely limited to industrial goods, while agricultural products have been excluded from these measures. For example, tariff rate quotas apply to 28 percent of agriculture output, on average, in OECD (Organization of Economic Cooperation for Development) countries. In the case of the European Union, the rate is 39 percent. Moreover, major industrial economies, notably those of the United States and the EU, provide large subsidies for their agricultural sectors, which seriously impair market access for poor countries and hampers their development. Some LDCs are particularly affected by these subsidies. In an opinion piece published in the New York Times on July 11, 2003, the presidents of Mali and Burkina Faso complained that government subsidies to U.S. cotton farmers have led to overproduction and lowering of prices for cotton, thus "depriving poor African countries of their only comparative advantage in international trade." Nevertheless, the demands of poor African cotton-producing countries for fair

60. "Sub-Saharan Africa's dependence on commodities whose prices are in long-term decline had impeded savings and investment, set back development and led to persistently high levels of debt." See UNCTAD, *Economic Development in Africa: Trade Performance and Commodity Dependence* (New York: UNCTAD, February 2004), at <http://www.unctad.org/Templates/webflyer.asp?docid=4375&intItemID=1528&lang=1>. According to this report, "had commodity prices remained at 1980 levels, per capita incomes would have been 50 percent higher than they are today."

61. Frances Williams, "Africa Stuck 'in Commodity Trap,' says UN," *Financial Times*, February 27, 2004; Matthias E. Lutz, "Commodity Terms of Trade and Individual Countries Net Barter Terms of Trade: Is there an Empirical Relationship," *Journal of International Development* 2, no. 6 (1999).

trade practices were rebuffed in the Development Round of WTO negotiations in September 2003. Moreover, major players apply double standards to agricultural trade. For example, influential WTO members made the WTO accession of Cambodia conditional on its commitment not to subsidize agriculture and to adopt a maximum agricultural tariff of less than a quarter of tariff peaks in the EU.[62]

The Muslim developing states also face barriers to the export of low-end industrial goods, such as textiles, clothing, and footwear. The OECD countries are reluctant to phase out restrictive import quotas for textiles and clothing. Moreover, tariffs levied by OECD countries on imports from developing countries on average are five times higher than tariffs levied on imports from other OECD countries. In some cases, this discrepancy is even wider.

Access to Capital: Obstacles and Costs

Developing countries, including a majority of Muslim states, have difficulty gaining access to capital at reasonable cost. The major sources of capital for developing countries are foreign aid, foreign direct investment (FDI), borrowing in the international financial markets, and non-FDI capital flows. The most favorable form of capital, from the developing countries' perspective, is foreign aid, especially ODA (official development assistance), which is either in grant form or carries low interest rates, and FDI.

However, the level of ODA has remained low, as the OECD countries have failed to meet the target of 0.7 percent of GDP to be allocated to ODA. Moreover, the distribution of the bulk of foreign aid has been dominated largely by strategic and political interests of the donors rather than by developmental criteria.[63]

Non-ODA types of development aid carry higher interest rates and, together with borrowing from international markets, lead many developing countries to being caught in a debt trap, periodically leading to major crises, the cost of which is borne disproportionately by the indebted countries.

FDI is preferable to international borrowing, but it too fails to meet the capital requirements of developing countries, especially poor Muslim states. First, the amount of FDI flows to developing countries is low. For example, of OIC (Organization of Islamic Conference) member countries, more than half received less than 1 percent of GDP in FDI between 1990 and 2001. Second, the bulk of FDI in the developing world is concentrated in resource extraction, and hence, its spillover into local economies is generally limited. Third, FDI is highly subsidized because multinational enterprises play different jurisdictions off against each other to increase incentives. Meanwhile, the industrialized countries have rejected the developing country demands to constrain the subsidization of FDI. These characteristics erode the positive developmental impact of FDI.

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62. "Cambodia and the TWO: Welcome to the Club," *The Economist*, September 13, 2003.

63. Alberto Alesina and David Dollar, "Who Gives Foreign Aid to Whom and Why," *Journal of Economic Growth* 5, no. 1 (March 2000): 33–64.

Policies of International Institutions

Policies of major international institutions, such as the IMF, often contribute to the development problems of Muslim states. These policies include antigrowth strategies focused on fighting inflation and correcting imbalances in trade. During financial crises, the IMF fails adequately to protect afflicted countries.[64] Some of the economic policies recommended by the IMF, such as the elimination of subsidies on daily necessities like bread and fuel, are socially and politically disruptive. Therefore, they are either refused, in which case the countries do not get the needed capital infusion, or they face the negative fallout of such policies, such as mass protest, which adversely impacts on the overall development environment and impedes democratization.

64. Jeffrey Sachs, "The Charade of Debt Sustainability," *Financial Times*, September 25, 2000.

CHAPTER 4

Some Suggested Remedies

Although there was no agreed list of recommendations for reform resulting from our conference, the theme of the papers and the content of the discussions suggested a number of steps at national, regional, and international levels that could encourage the Muslim world's modernization and democratization. These suggestions can be grouped under three categories, namely: general principles; actions by national governments; and actions by external actors.

General Principles

- Modernization and democratization should be seen as ongoing processes within specific geographical, cultural, and historical environments, rather than as mechanical projects beginning with various stages, having an end, and applicable to all cases. This latter type of approach to modernization has failed in most cases over the last 50 years. Certainly, this approach to modernization has not encouraged democratization. Therefore, "one off" or ad hoc plans of transformation are unlikely to succeed. Encouraging modernization and democratization in the Muslim world requires long-term, sustained, and multidimensional efforts at national, regional, and international levels.
- Ideologically determined—socialist, Islamic, market-centric, state-driven—modernization schemes should be replaced with case-specific strategies best suited to the different conditions of individual countries or group of countries sharing certain basic characteristics. Though in many Muslim countries, states still have a developmental role, the degree of state intervention in the economic sphere should gradually be reduced. However, drastic and rapid reform could be politically destabilizing and thus hinder democratization. Therefore, the reduction of the economic role of the state should be achieved by creating conditions for greater domestic savings and investments and encouraging the development of a spirit of enterprise, and corruption and cronyism must be reduced. Such a policy, however, can succeed only in the context of political liberalization, the establishment of the rule of law, and the creation of a sense of safety on the part of the people. Under these conditions, considerable expatriate Muslim capital can be harnessed for investment purposes, especially in the Arab world.
- Culturally relevant approaches to both modernization and democratization are more likely to gain popular support and to mitigate the remaining impression that these processes are foreign in nature and thus inapplicable to the Muslim

world. An important component of such an approach is the revival of Islam's best tradition of rationalist thinking and countering the reductionist reading of the Islamists of the Islamic intellectual tradition as well as reviving the spirit of earlier generations of reformers and democratizers in the Muslim world.

- Modernization should not be pursued at the expense of democracy, because without some form of public support expressed through democratic channels, they would not have a sense of ownership in the process and would be unwilling to bear the cost of modernization in terms of socioeconomic dislocation. This would result either in rebellion on the part of the people or coercion on the part of the state. In short, top-down modernization efforts are likely to fail if they do not gain grassroots support.

Actions at the National Level

- Adequate attention must be paid to the building of human capital through education, including technical and scientific, and the encouragement of a spirit of inquiry. Even if the importance of education in the process of modernization and democratization is not new, it is difficult to overemphasize its significance. Improving health conditions is also crucial because of its impact on productivity.
- Income disparities should be reduced through a process of development geared to job creation. This is important for creating a sense of ownership on the part of the people in the country and its future and mitigating feelings of isolation and alienation. In ethnically and religiously divided countries, where some groups are better off than others, the overall economic improvement and closing of income gaps will enhance interethnic and sectarian peace and contribute to the sense of citizenship. Indeed, Muslim states should encourage the development of a civic sense of national identity.
- Reducing the political and economic role of the military is equally important for both processes, especially democratization. In particular, excessive defense spending should be avoided in favor of investment in education, health, and employment. Those countries where the military yields excessive power must realize that their own interest would be endangered by the lack of modernization and democratization.
- Closing the gender gap is essential for solving the developmental problems of the Muslim world, including the still high rate of population growth. This goal, too, is best achieved through culturally sensitive strategies, including a progressive reading of Islamic sources.
- Encouraging a culture of dialogue, tolerance, and accommodation is essential both for modernization and democratization. This can be achieved through schools, universities, and mass media.
- Encouraging the development of civil society is particularly important for the consolidation of democracy once it has been established.

- Integration in the global economy and the information network should be encouraged.

Actions at International Level

- Resolving regional conflicts or, at the least, preventing the outbreak of armed confrontation will greatly help in advancing both modernization and democratization. This is important for reducing the role of the military and eliminating disproportionate expenditures in defense. Resolution of regional conflicts will also improve the environment for long-term foreign investment. Additionally, resolution of such conflicts, especially the Arab-Israeli dispute, will eliminate important sources of anti-Western sentiment, thus enabling the West to more wholeheartedly support democratization without fearing negative foreign policy consequences.
- Encouraging regional economic cooperation will help the process of modernization by making possible economies of scale, creating larger markets, and reducing regional conflict. Key international actors should support such cooperation.
- Key external actors, notably the great powers, should adopt a more consistent and long-term approach toward the modernization and democratization of the Muslim world. They should come to see these goals as important for the securing of their own long-term strategic and economic interests. Although certain short-term compromises in this regard may not be avoidable, the long-term thrust of the great power policy should be the support for modernization and democratization and not sustaining authoritarian regimes.
- In the economic field, restrictive trade practices that hamper development efforts of especially the poorest Muslim countries should be gradually eliminated. Economic aid should be provided on developmental criteria rather than for political considerations, and more developmentally sensitive FDI should be encouraged.
- Key external actors should take more decisive action to combat pandemics such as HIV/AIDS and other debilitating diseases.
- Key external actors should reward those countries that show a commitment to reform, notably democratization. Rewards could include more aid and investment and access to technology.

In sum, the modernization and democratization of the Muslim world should be seen as a long-term endeavor requiring cooperative, sustained, and multidimensional strategies involving Muslim states and key external actors.

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