



Money and Morals: Salafi Economics in the Arab World

FRANCESCO CAVATORTA AND VALERIA RESTA

In the wake of the 2010–2011 Arab uprisings, many Salafis across the Middle East and North Africa moved away from their traditional noninvolvement in political activism and [embraced institutional politics through the creation of political parties](#). To achieve success, they had to appeal to electorates and, like other parties, present voters with their political and economic program.

[Declining economic conditions](#) are one of the chief concerns of citizens in the region. However, Salafis have never paid much attention to the economy—reflected in the paucity of Salafi writings on economic issues. This shortcoming remains a serious handicap at a time when most economies in the region have not improved since the uprisings. In trying to fashion a policy framework, Salafi parties have supported measures riddled with contradictions, creating unrealistic expectations and taking a moralistic attitude toward desirable economic behavior. Facing the negative political impacts of supporting unfeasible policy, the future of Salafi parties is ultimately tied, in part, to the success of their economic proposals.

THE SALAFI ECONOMIC FRAMEWORK

For Salafis, Islam is a comprehensive guide that [provides instructions on how economies](#) should be run so that they are both effective and religiously sound. Salafi texts mention Islamic financial products and other ways of Islamizing the economy. At the core of Salafi economic thinking is the moral behavior of the actors engaged in transactions. The [electoral manifesto](#) of Egypt's Hizb al-Nour (or Party of Light), formulated in 2012, is the most comprehensive economic framework offered by any Salafi party, and it reveals how Salafi political parties provide discernible plans of action by borrowing economic ideas from disparate sources. Overall, four broad economic principles have shaped the Salafi economic vision: income redistribution, neoliberal economic principles, selective autarky, and support for regional integration.

The first principle is income redistribution, which is associated with Keynesian state intervention and borrows from social democratic tenets. The poorer



socioeconomic classes look to the state to redress growing inequality, so Salafi political parties have tried to appeal to citizens who are struggling economically. Hizb al-Nour, for instance, has called for expanding job programs and introducing a minimum wage that is indexed to the cost of living. The party also proposes greater investment in education and social housing. Job creation is also a priority for Tunisia's Hizb Jabhat al-Islah al-Islamiyya al-Tunisiyya (the [Tunisian Salafi Islamic Reform Front](#), or Jabhat al-Islah)—the word “jobs” appears prominently in the party's slogans.

Hizb al-Nour's program further underlines that almsgiving (*zakat*) and religious endowment (*waqf*) institutions should contribute to reducing socioeconomic inequalities and provide funding for productive investments and job creation. Salafi parties across the region share a reliance on such institutions, as charitable work informs the way they think about welfare delivery.

The centrality of welfare and job creation seems in line with traditional leftist thinking about state intervention and wealth redistribution. But the reality is different for Salafi parties because they see a limited role for the state in any redistributive efforts. Fiscal policy is mentioned only in passing in Salafi economic programs. Instead, there is considerable emphasis on private or semiprivate religious entities taking over welfare programs or engaging in productive investments. In other words, there is much greater reliance on social solidarity than on the state. Religious morality would, in turn, compel private institutions to deliver social goods.

It is no surprise, then, that alongside the redistributive component of Salafi economic thinking there is a commitment to neoliberal economic principles. This appeals to a different constituency than those who would benefit from economic redistribution. Hizb al-Nour calls for fully liberalizing agriculture, enhancing the role of small and medium-sized enterprises, and introducing more Islamic financial products compatible with neoliberal practices. Salafi parties also support

provisions to curb monopolistic tendencies and favor greater competition, a key principle of economic liberalism. For instance, [Tunisia's Jabhat al-Islah](#) never mentions the importance of the public sector in its literature and makes reference only to the role of entrepreneurship, illustrating its commitment to market economics.

Another neoliberal tenet favors foreign direct investment (FDI) as vital to economic growth and development, due to its supposed trickle-down effects. In Egypt, Hizb al-Nour asserts the need for FDI, preferably from other Arab or Muslim states. For the party, former president Hosni Mubarak's neoliberal reforms exacerbated poverty [because they were implemented by corrupt](#) (read: un-Islamic) political networks, not because they were bad policies that undermined greater wealth redistribution. If the right people were in power, Hizb al-Nour and other Salafi parties believe, the state would act more ethically and be more invested in religious morality, preventing corrupt and predatory economic behavior. In turn, businessmen and private enterprises would act according to religious precepts, making neoliberal reforms a success that would benefit the whole of society.

Other Egyptian Salafi parties, such as Hizb al-Bina wa al-Tanmiya (the Building and Development Party), Hizb al-Fadila (the Virtue Party), and Hizb al-Asala (the Authenticity Party), share this view about the relationship between neoliberal economics and morality. For instance, [Hizb al-Bina wa al-Tanmiya's](#) program states that “the renaissance ought to pass through the strengthening of our religious and moral values under the banner of freedom and social and legal justice,” in a system that “preserves political and economic liberties.” Tunisia's [Jabhat al-Islah](#) and Errahma, another Salafi party, also emphasize moving beyond social issues and individual rights to offer voters an economic vision based on entrepreneurship.

A third principle in Salafi economic programs is the need to pursue what might be termed selective autarky, suggesting that countries should be self-sufficient

in specific economic sectors. This is clear in Hizb al-Nour's manifesto and, to a lesser extent, in Hizb al-Bina wa al-Tanmiya's program, which aims to "eradicate dependency and reliance." Jabhat al-Islah also proposes to "end imports that do not contribute" to Tunisia's economic renaissance—although it leaves unspecified which imports it's talking about. Salafi parties also cite food production and weapons manufacturing as examples of strategic economic sectors. *Egypt's Hizb al-Nour* argues that "a nation that does not produce its own food or military equipment is a nation that cannot be independent in its decisions to achieve the public interest."

According to this approach, a substantial portion of goods would no longer depend on trade with other countries. Jabhat al-Islah also refers to the state's role in ensuring food security and controlling strategic heavy industries. The party prioritizes "establishing an effective agrarian policy . . . to achieve self-subsistence," and seeks "economic security [through state] ownership of heavy, electronic, and chemical industries."

Finally, the fourth principle of Salafi economic programs is support for regional integration. Hizb al-Nour, for instance, recognizes that most countries participate in regional economic blocs because they provide considerable benefits. It proposes that Egypt integrate its economy with other Arab and Muslim markets, in order to better withstand pressures from competing blocs and generate economic growth through FDI. Their argument is that Egypt would benefit from increasing its exports, which would also raise domestic employment. Other Salafi parties agree. Hizb al-Bina wa al-Tanmiya, for example, envisages "economic integration and the construction of an economic community" to overcome the geographical and cultural boundaries they say were drawn by Western colonialism.

While Salafi parties may have experience providing welfare through their charitable activities, they need to offer voters a comprehensive economic vision and appear capable of delivering it. Salafi parties promise

job creation, investment in public services, and greater integration into the global economy—*voters share those same priorities* and see democratic party politics as a way of ensuring that promises are fulfilled. Given the socioeconomic roots of the 2010–2011 Arab uprisings—particularly in Egypt, Tunisia, and Yemen—voters find the *Salafi economic framework appealing*. But this framework reveals short-term pragmatism. The way Salafi parties have framed their policies and priorities has underlined the fact that they have resorted to catchall solutions with broad appeal but few specifics.

Because of this pragmatic approach, observers have placed Salafi parties at different ends of the ideological spectrum, from *representatives of the poor* to *genuine conservatives*. As these contradictions become clearer, the ambiguity shows how difficult it can be to gauge whether Salafi parties would ultimately be able to implement their broadly appealing economic programs.

NAVIGATING THE CONTRADICTIONS

With economic environments differing from country to country, the credibility and effectiveness of Salafi economic programs depend largely on their context. For instance, Salafi parties in Kuwait, an oil-rich state, do not operate within the same economic parameters as Egyptian or Tunisian Salafi parties. But across the board, Salafi parties share many potential difficulties and pitfalls.

One problem is that Salafis—and, indeed, Islamists in general—believe that philanthropy can replace state mechanisms for providing welfare. Salafis think the role of states is to protect the economic freedom of individuals who, in turn, should share their revenue with people in need through religious forms of charity, such as almsgiving or religious endowments. However, this belief is at odds with the very nature of modern states.



The Victorian conception of welfare—where wealthy private individuals and institutions decide who are the deserving poor—is problematic because it uses morality tests to determine potential beneficiaries. Relieving the state of welfare provision is an appealing proposal and, for conservatives, aligns with the Salafi belief that being a good Muslim merits assistance. But philanthropy can hardly replace state-provided welfare (even if it can supplement it), because its implementation becomes, effectively, political. What happens when an individual refuses to behave according to a religious institution? And which welfare causes—like education, health, single mothers, drug addiction, or unemployment benefits—are privileged? Philanthropy managed by religious institutions can be implicitly coercive and exclusionary, undermining the principle of equality.

A second problem for Salafi parties is that they omit a significant number of policy instruments from their economic frameworks. For example, they include virtually nothing about monetary and fiscal policy. Taxation, in particular, is overlooked, and none of the reforms and policies that Salafi parties advocate have gone through a detailed assessment of costs. The 2011 platform of Egypt's Hizb al-Bina wa al-Tanmiya is one of the few frameworks to mention taxation, but, even then, it only vaguely stated that fair taxes would help achieve social justice. Otherwise, no specific fiscal measures were mentioned, leaving it unclear how taxation would actually impact economic redistribution. This underscores how little Salafi parties have considered economic matters—they feel it necessary to remain as general as possible, in order to appeal to a wider potential electorate and win more votes.

A third shortcoming of Salafi economic programs is that they borrow from disparate sources, often offering irreconcilable policy prescriptions. This is exacerbated by the fact that the programs repeatedly fail to account for international economic realities or constraints and include policies that the parties might not be able to implement on their own.

The Salafis' call to integrate regional markets, for example, cannot be reconciled with the autarkic notion that entire economic sectors should not be liberalized because they are deemed to be strategic. Similarly, how does a state embark on a significant program of job creation and social spending when its coffers are empty? Borrowing from international financial institutions may often come with strings attached that impose contrary measures, such as reducing the number of public sector employees or slashing the budget.

Therefore, for electoral benefit, Salafi parties emphasize job creation and better welfare provision, together with greater market liberalization and FDI. However, by basing their economic vision on contradictory approaches and downplaying the difficulty of reversing the effects of prior economic choices and international constraints, Salafi parties' proposals are unlikely to be successful.

Finally, and perhaps most significantly, the inadequacies of Salafi economic programs are underlined by their belief that religious morality can overcome the difficulties of managing a national economy. Salafi Arabs involved in the political process genuinely believe that personal morality and the greater presence of Islamic financial tools, such as sharia-compliant banks, will generate greater growth and result in higher living standards. Salafi parties emphasize the burden of corruption to explain underdevelopment. According to them, amoral and unethical behavior is at the roots of a poorly managed economy because individual selfish choices—choices not made through religious adherence—undermine developmental efforts. They regard, as Hizb al-Bina wa al-Tanmiya has expressed, the “diffusion of the political notions and values of Islam” within society and the economy as a path to social and economic enfranchisement.

Salafi economic programs in Tunisia and Egypt provide ample evidence of this attitude. Salafi parties in both countries, for the first time, were given the opportunity to compete in a free and pluralistic electoral market and present an economic plan after the overthrow of authoritarian regimes in 2010 and 2011. The dictators' downfall created an opening for alternative economic proposals. In both countries, Salafi parties tied their programs to Islamic morality. They proposed **reforming existing economic laws** according to Islamic principles and envisaged institutionalizing Islamic precepts such as almsgiving and the enhancement of Islamic finance.

What they put forward, however, was, at best, economically naïve. The Salafi policies borrowed confusingly from social democratic and neoliberal tenets, but their success is predicated on the intervention of Islamic institutions and individual piety. Thus, on one hand, Islamic institutions and religious practices are intended to purify the private accumulation and redistribution of wealth, with individual piety fueling economic success in the same way that Adam Smith's invisible hand regulates the free market. On the other hand, social solidarity, wealth redistribution, and greater income equality depend on individuals that respect their religious duties, not because the state coordinates and intervenes in the economy.

In this sense, the participation of practicing Muslims in the economy is key to the Islamic economy itself, while the expansion of the private sector is a consequence. This is, at best, an unsophisticated approach. A social market economy, which is what Salafi parties have proposed, is still premised on the idea of profit—and where profit is the backbone of economic practice, morality tends to take a back seat. Just as systemic failures, not simply greed, led to the 2008 global financial crisis, morality alone is unlikely to dramatically improve economic performance and prevent further crises

CONCLUSION

The Arab uprisings forced Salafis to appear interested in economic policymaking. Yet this has been a particular challenge for at least two reasons. First, it has underlined that the economy has never been a clear priority for Salafis, whose political engagement is mainly anchored in identity and social issues. Second, formulating an economic program has been difficult because Salafi parties rely on broad constituencies that cut across social classes. Salafis attract support from the middle class because of their focus on identity and social conservatism, but also from the disenfranchised because of the services provided by their charities. Thus, pinning down specific proposals is not just difficult, it may actually be detrimental to their political success.

The apparent absence of alternative economic models to neoliberalism has been a problem for Salafi parties hoping to offer an appealing economic framework to citizens. Policy prescriptions like privatization, budgetary restraint, open markets, and job insecurity are likely to worsen economic conditions in most Arab countries—in the short run, at least—and are the very policies that inspired the 2010–2011 uprisings. Instead, Salafi parties have had to emphasize job creation, greater welfare, and genuine market liberalization, offering an end to the corrupt liberalization that occurred under authoritarian rule.

At the same time, reform is necessary to revive moribund economies in which unemployment is high, productivity is low, and a fairer redistribution of wealth remains illusory. Emergency measures are needed to fight poverty and social injustice. While their policy contradictions, unrealistic expectations, and moralistic attitude might undermine their electoral credibility, Salafi parties may remain appealing as long as they are untested in the opposition.

ABOUT THE AUTHORS

Francesco Cavatorta is a professor in the Department of Political Science at Laval University, Quebec City. His research focuses on the dynamics of democratization and authoritarianism, political parties and movements, and civil society activism in the Arab world.

Valeria Resta is an adjunct professor in the Department of Political Science at Sapienza University, Rome. Her research focuses on party politics and regime change in the Middle East and North Africa.

NOTES

For your convenience, this document contains hyperlinked source notes as indicated by teal colored text.



© 2019 Carnegie Endowment for International Peace. All rights reserved.

Carnegie does not take institutional positions on public policy issues; the views represented herein are the authors' own and do not necessarily reflect the views of Carnegie, its staff, or its trustees.