

CHAPTER 8

McJihad

On 3 February 1997, a delegation of the Taliban government of Afghanistan visited Washington, DC. Ten days earlier, Taliban forces had won control of the countryside around Kabul, and with the south and east of the country already in their hands they were now making preparations to conquer the north. In Washington the Taliban delegation met with State Department officials and discussed the plans of Unocal, a California oil company (later part of Chevron), to build a pipeline from Central Asia through Afghanistan. A senior US diplomat explained his government's thinking: 'The Taliban will probably develop like the Saudis did. There will be Aramco, pipelines, an emir, no parliament and lots of Sharia law. We can live with that.'¹

US support for the Taliban, who received arms, financial assistance and military recruits from Pakistan and Saudi Arabia with the agreement of Washington, was a policy 'ridden with inner tensions', the American embassy in Islamabad suggested, 'as we simultaneously engage with the Taliban and criticize their abuses.'² But the diplomat's reference to Aramco – the American oil company that, sixty years earlier had financed the creation of Saudi Arabia – was a reminder that the United States was accustomed to working with emirs whose power depended upon strict interpretations of Islamic law. The US grew increasingly frustrated with the Islamic Emirate of Afghanistan, as the country was now called, over its refusal to arrest and hand over the Saudi dissident Osama bin Laden following attacks in 1998 on US embassies in East Africa. As late as September 2000, however, while in public describing the actions of the Taliban as 'despicable', the US assured a senior official of the Emirate in private that its policy 'has always been to try to find a way to engage the Taliban.'³ The 'inner tensions' of building alliances with conservative Islamic regimes were a familiar part of American policy.

In recent decades, the problem of oil and democracy has come to be associated increasingly with the question of Islam. Political scientists point out that

1 Ahmed Rashid, *Taliban: Militant Islam, Oil, and Fundamentalism in Central Asia*, New Haven: Yale University Press, 2000: 179.

2 The official presumably meant to write 'ridden' with inner tensions. US Embassy (Islamabad), 'Official Informal for SA Assistant Secretary Robin Raphel and SA/PAB', 10 March 1997, in National Security Archive, 'Pakistan: "The Taliban's Godfather"?' at www.gwu.edu/~nsarchiv.

3 US Embassy (Islamabad), 'Searching for the Taliban's Hidden Message', 19 September 2000, National Security Archive, The Taliban File Part IV, at www.gwu.edu/~nsarchiv.

not every country heavily dependent on oil revenues fails to develop more democratic forms of government. For example, three of the largest oil-producing states in the global south – Venezuela, Nigeria and Indonesia – have alternated between periods of military government and more democratic and populist regimes. A variety of explanations and qualifications have been offered to make sense of these patterns.⁴

In earlier chapters we have seen why the Middle East was both the most critical site for international companies or imperial states that wanted to control world oil production and the most difficult. On the one hand, it was the region where oil was most abundant and at the same time cheapest to produce. On the other, so many large oil states were concentrated together that concessions to local demands in one country were liable to upset arrangements in several neighbouring states. There is no reason, therefore, to look to Islam to find reasons for the difficulties encountered by those in the region who fought to advance democratic and egalitarian claims. Since the 1970s, however, forms of political Islam have played an increasingly significant role in the politics of the Middle East, and thus in the political economy of oil.

ON THE PLUS SIDE

As a rule, the most secular regimes in the Middle East have been those most independent of the United States. The more closely a government is allied with Washington, the more Islamic its politics. Egypt under Nasser, republican Iraq, the Palestine national movement, post-independence Algeria, the Republic of South Yemen, Ba'athist Syria – all charted courses independent of the United States. None of them declared themselves an Islamic state, and many of them repressed local Islamic movements. In contrast, those governments dependent on the United States typically claimed an Islamic authority, whether ruled by a monarch who claimed descent from the Prophet, as in Jordan, North Yemen and Morocco, or asserting a special role as protector of the faith, as in the case of Saudi Arabia. When other governments moved closer to the United States

4 Fernando Coronil, *The Magical State: Nature, Money and Modernity in Venezuela*, Chicago: University of Chicago Press, 1997; Michael Watts, 'Resource Curse? Governmentality, Oil, and Power in the Niger Delta', *Geopolitics* 9: 1, 2004: 50–80; Thad Dunning, *Crude Democracy: Natural Resource Wealth and Political Regimes*, Cambridge, UK: CUP, 2008; Terry Lynn Karl, *The Paradox of Plenty: Oil Booms and Petro-States*, Berkeley: University of California Press, 1997. The problem of the rentier state was first formulated in Hussein Mahdavy, 'The Patterns and Problems of Economic Development in Rentier States: The Case of Iran', in M. A. Cook, ed., *Studies in the Economic History of the Middle East*, London: OUP, 1970. Subsequent contributions on the Middle East include Hazem Beblawi and Giacomo Luciani, eds, *The Rentier State*, New York: Croom Helm, 1987; Ghassan Salamé, ed., *Democracy Without Democrats: The Renewal of Politics in the Muslim World*, London: I. B. Tauris, 1994; and Isam al-Khafaji, *Tormented Births: Passages to Modernity in Europe and the Middle East*, London: I. B. Tauris, 2004, 309–25.

– Egypt under Anwar Sadat in the 1970s, Pakistan under Zia ul-Haq in the 1980s – their political rhetoric and modes of legitimation became avowedly more Islamic.

Iran might seem an exception to this pattern. Under the pro-American government of the shah it was a secular state; after the 1979 revolution it became an Islamic republic, opposed to America's ambitions. In fact, however, the shah mobilised conservative religious forces in his support, depending on a CIA-funded clerical leadership to overthrow a nationalist government in 1953, and losing power only when the leading clerics in the country turned against him. And many scholars of Iran would argue that the Islamic Republic, the Middle Eastern country most independent of the United States, is one in which appeals to religion are increasingly unable to legitimise the exercise of power. Especially among its youth, the Islamic Republic has created one of the most secular societies in the region.

This pattern, once it has been noticed, lends itself to a straightforward but unsatisfactory explanation. The United States depends on the support of conservative political regimes, it is often pointed out, and these have tended to rely on religion to justify their power. In contrast, many of the populist or nationalist regimes carried out post-independence programmes of land reform, the advancement of women's rights, industrialisation and the provision of free education and healthcare, and achieved whatever legitimacy they gained through these egalitarian social reforms rather than through the authority of religion.

This explanation is unsatisfactory because the conservative political morality offered by certain forms of Islam is not some enduring feature of the religion that rulers adopt at their own convenience. Its usefulness reflects the fact that moral conservatism expresses the views of powerful social and political movements. Political regimes enter into uneasy alliances with these movements, depending on a force they do not directly control. The dominant school of Islam in Saudi Arabia, for example, represents an intellectual tradition founded in the mid-eighteenth century and reborn as a political movement at the start of the twentieth. It has its own legal scholars, teachers, political spokesmen and militants. Wahhabism, as outsiders call it, after its eighteenth-century founder, or the doctrine of *tawhid* (the oneness of God) as its adherents (the *muwahhidun*) prefer to call it, developed in the era of British colonial expansion, and aimed to transform and re-moralise the community. The Deobandi school in India (including the part that became Pakistan) and Afghanistan, in which the Taliban movement had its roots, was another influential social and intellectual force of the colonial period. In Egypt, the intellectual reform movement known as Salafism inspired the Muslim Brotherhood, founded in 1929, which became the country's largest popular force opposing the British military occupation and the corruption of the ruling class.

Governments drew on the support of these movements at different times and with differing success. When Unocal and US government officials decided that, along with the government in Pakistan, they could 'live with' the Taliban, they were proposing to cement an alliance with a movement whose powers of moral authority, social discipline and political violence represented forces that were to be engaged and put to work – to enable the building of a 1,000-mile pipeline. 'On the plus side,' the US noted, 'the Taliban have restored security and a rough form of law and order in their area of control.'⁵ In Egypt, from the 1970s onwards, the state (and indirectly the US government) relied on a tacit alliance with the Muslim Brotherhood to help suppress both secular progressive and militant Islamic opposition. In Arabia, the *muwahhidun* were not just the ideologues of Saudi rule but a social force that made possible the building of the Saudi state, and hence the operations of the American oil industry. In every case this alliance between ruling powers and Islamic movements was a source of considerable tension.

It follows that such religious movements have played a small but pivotal part in the global political economy of oil. If conservative religious reform movements such as the *muwahhidun* in Saudi Arabia or the Muslim Brotherhood in Egypt have been essential to maintaining the power and authority of those states, and if, as we are often told, the stability of the governments of Egypt and Saudi Arabia, perhaps more than that of any other governments in the global south, are vital to the protection of US interests, in particular the control of oil, it would seem to follow that political Islam plays an unacknowledged role in the making of what we call global capitalism.

It has become increasingly popular today to say that we live in an era of what Benjamin Barber has labelled 'Jihad vs. McWorld'. The globalising powers of capitalism ('McWorld') are confronted with or resisted by the forces that Barber labels 'Jihad' – the variety of tribal particularisms and 'narrowly conceived faiths' opposed to the homogenising force of capital.⁶ Even those with a critical view of the growth of American empire and the expansion of what is erroneously termed the global market usually subscribe to this interpretation. In fact it is the critics who often argue that we need a better understanding of these local forms of resistance against the 'universal' force of the market.

The terms of this debate are quite misleading. We live in an age, to adapt Barber's nomenclature, of 'McJihad'. It is an age in which the mechanisms of what we call capitalism appear to operate, in certain critical instances, only by adopting the social force and moral authority of conservative Islamic movements. It

5 US Embassy (Islamabad), 'Official Informal for SA Assistant Secretary Robin Raphel'.

6 Benjamin R. Barber, *Jihad vs. McWorld: How Globalism and Tribalism are Reshaping the World*, New York: Ballantine Books, 1995: 4. Barber discusses a 'dialectic' of Jihad and McWorld, but means only that the forces he labels Jihad must be understood as a reaction to modernity, not a relic of the past (p. 157).

may be true that we need a better understanding of the local forces that oppose the globalisation of capital; but, more than this, we need a better understanding of the so-called global forces of capital.

The American government presented the war in Afghanistan that followed the attacks of 11 September 2001 as a fight to eliminate ‘forces of evil’, whose violence stemmed from an irrational and anti-modern hatred of the West. More sceptical accounts pointed to the role of the United States and its allies, from the mid-1970s to the early 1990s, in sustaining the Islamic forces fighting in Afghanistan – including al-Qaeda, the group led by Osama bin Laden and thought to be responsible for the September 11 attacks – and in facilitating, from 1994, the rise of the Taliban. These accounts attributed the crisis, at least in part, to the incoherence, contradictions and short-sightedness of US policy towards the region. While agreeing with such criticisms, a further point needs to be appreciated: the crisis in Afghanistan reflects the weaknesses of a form of empire, and of powers of capital, that can exist only by drawing on social forces that embody other energies, methods and goals.

THE MUWAHHIDUN AND THE MARKET

In 1930, Abd al-Aziz Ibn Saud, the ruler of what was to become Saudi Arabia, was short of funds as the Great Depression reduced the flow of pilgrims to Mecca – a city he had conquered five years earlier. He began negotiations with American oil companies to sell the rights to Arabian oil. The intermediary in these talks was an English businessman, Harry St John Philby. Born in British-ruled Ceylon, the son of a tea planter, Philby was an administrator in Britain’s Indian Civil Service in Punjab and Kashmir. He had come to Iraq with the Indian army during the First World War, and went on to Arabia as an agent of Britain’s Indian government to supply Ibn Saud with money and arms. He stayed on as a confidant of Ibn Saud, resigned from the Indian service, and set himself up in business in Jiddah, the trading port near Mecca, in 1925, the year it fell under Ibn Saud’s control. He became the local agent of the Ford Motor Company, the Franklin Motor Company, and the Singer Manufacturing Company, and helped the Standard Oil Company of California negotiate the rights to Saudi oil. He also converted to Islam, and to the teachings of Ibn Wahhab. Although some doubted his sincerity, he went out of his way to publish articles in English newspapers in London and Cairo explaining his conviction. After discussing the puritanism of Oliver Cromwell as a reason for England’s strength, he explained his belief

that the present Arabian puritan movement harbingers an epoch of future political greatness based on strong moral and spiritual foundations. Also I regard the Islamic ethical system as a real democratic fraternity, and the general conduct of life . . .

resulting in a high standard of national public morality, as definitely superior to the European ethical code based on Christianity . . . I consider an open declaration of my sympathy with Arabian religion and political ideals as the best methods of assisting the development of Arabian greatness.⁷

Philby's conversion may well have been sincere, although he continued to be marked by convictions of 'agnosticism, atheism, anti-imperialism, socialism and general progressive revolt against the philosophical and political cannons in which I was brought up', and was later disillusioned with Ibn Saud's rule.⁸ But the American oil companies, too, were converts to Wahhabism, in the sense that Standard Oil of California and its partners came to depend on and support what they called 'unitarian' Islam as the method and the means to operate in Arabia – and thus to maintain and develop the global oil economy.

Scholars of international political economy have devoted a lot of attention to the world oil industry, but little to the role played in the economics of oil by the *muwahhidun*. Four features of the political economy of oil, already familiar from earlier chapters, can help us understand this role. First, as a main source of energy for industrialised life, it offers the possibility of enormous rents – it can be sold at one hundred times the cost of production. Second, contrary to popular belief, throughout the twentieth century there was almost always too much of it. Any producer was always at risk of being undercut by another. If all one wanted was a market in oil to supply those who need it, this would pose no problem. But the oil industry was concerned with profits, not markets, and large profits are impossible to sustain under competitive conditions. The potential rents – or 'premiums on scarcity' as they are called – could be realised only if mechanisms were put in place to create that scarcity.

The international politics of oil is usually explained in terms of the desire of the United States to protect the global supply. But that was not the problem. The real issue, where the *muwahhidun* came in, was to protect the system of scarcity. John D. Rockefeller solved the difficulty in the 1860s, when the oil industry first developed, by building a monopoly – not of oil wells, but of refineries and then transportation, later building Standard Oil into an integrated monopoly controlling refining, transportation, marketing, and finally the wellheads themselves. In the twentieth century, when the major integrated oil companies began to produce large quantities of oil outside the United States, they developed a different system of scarcity: they collaborated to divide the world's resources between themselves, and to limit production to maintain prices. In 1928, on reaching the long-delayed agreement to share the development of oil in Iraq,

7 H. St. John B. Philby, 'Why I Turned Wahhabi', *Egyptian Gazette*, 26 September 1930, cited in Elizabeth Monroe, *Philby of Arabia*, Reading: Ithaca Press, 1998 [1973]: 157–8.

8 Monroe, *Philby of Arabia*: 152, 200.

which included an undertaking to limit the development of oil elsewhere in the Middle East – and as efforts to prevent the export of oil by the Soviet Union collapsed – they made a parallel deal to divide the world's markets among themselves, and to limit production to maintain prices. They later agreed to try to maintain those prices at the relatively high price at which oil was produced and sold in Texas.

These arrangements prevented the emergence of market competition, and thus ensured extraordinary profits to those who controlled the cheaply produced oil of the Middle East. After the Second World War the oil companies were producing oil at less than 30 cents a barrel, including the costs of exploration, pumping, storage and depreciation; later that figure fell to 10 cents a barrel, while the companies were selling oil to refineries at \$2 a barrel.⁹ In the 1960s the producer countries of the south began to play a more independent role, and in the following decade the organisation they had created, the Organization of Petroleum Exporting Countries (OPEC), took over the role of maintaining the scarcity of supply, generally in collaboration with the international oil corporations and major non-OPEC producer countries.

The third salient feature of global oil is that, through these arrangements, one country – Saudi Arabia – came to play a special role. In the 1970s the country developed into one of three very large producers of oil, alongside the United States and Russia. By the 1990s, these three countries each produced two or three times as much oil as any of the other producers among the top dozen (Canada, Norway, the United Kingdom, China, Venezuela, Mexico, Kuwait, the United Arab Emirates and Iran).¹⁰ Saudi Arabia's importance lay not simply in its abundance of supply, however, but in its pivotal role in the system of scarcity. With a population about one-tenth the size of Russia's and one-sixteenth that of the United States, Saudi Arabia at that time still had a relatively low domestic demand for oil and could afford to keep part of its production capacity switched off. By the 1990s, this unused capacity (then estimated at more than 3 million barrels per day) was close to or exceeded the *total* production of any other country except Russia and the US.¹¹ The excess allowed Saudi Arabia the ability to play the role of 'swing' producer (played in the pre-OPEC period by Iraq, and later by Kuwait, under the control of BP), threatening to switch its surplus on and off to discipline other producers who tried to exceed their production

9 Christopher T. Rand, *Making Democracy Safe for Oil: Oilmen and the Islamic East*, Boston: Little, Brown, 1975, 16–18.

10 For production figures see US Energy Information Administration, at www.eia.doe.gov. With the decline of North Sea production after 2000, Norway and the UK dropped out of the top dozen, to be replaced by Brazil and Iraq.

11 US Energy Information Administration, at www.eia.doe.gov. Surplus capacity is defined as oil production that can be brought on line within thirty days and sustained for at least ninety days.

quotas, thus maintaining the system of scarcity. It did so in collaboration with the United States, on whom it depended for military protection. As a result of these three factors – inelastic demand, overabundance and the Saudi surplus – the possibility of large oil rents anywhere in the world in the second half of the twentieth century depended on the political control of Arabia.

The fourth relevant characteristic of the global economy of oil is the method of creating this political control. In 1930 there was no state of 'Saudi Arabia', and no colonial power alone was strong enough to create one. This reflects the historical moment at which the global oil economy emerged – something the literature on the political economy of oil does not explore. It was not unusual for large corporations to avoid the risks of markets by establishing oligopolies or exclusive territories of operation. In fact, the modern, large-scale commercial corporation was invented precisely for that purpose. Its origins lie in the colonising corporations of the seventeenth to nineteenth centuries – the East India Company, the Hudson's Bay Company, the British South Africa Company, and many others – that were given exclusive rights and sovereign power to monopolise the trade in particular goods for specific territories. However, the major oil companies, which were the first and the largest of the new transnational corporations of the twentieth century, established their global presence at the historical moment when the old system of empire, built up originally through colonising corporations, was finally disintegrating.

The interwar period, when the oil corporations consolidated their global control of oil, coincided with the defeat and collapse of the forms of empire that had shaped world trade for more than three centuries. Four features of this power help to explain the significance of Islamic movements after its collapse. First, sovereign power belonged not only to a handful of European states, but also to the colonising corporations. The collapse of this form of power began much earlier in some places (in America in the revolt of 1776, for example, and in India in the uprising of 1857) than in others – in Africa, for example, European corporate power and the monopolies it created persisted well into the twentieth century. Second, earlier imperial power enjoyed a great advantage in military violence (always available to, and often established by, the colonising corporations), which could be used to defeat, and in many cases annihilate, local opposition to the colonial authority. Third, imperialism made use of the dispossessed agrarian populations of Europe to propagate white settler communities around the globe, which were rarely, if ever, subject to non-Western forms of law or political authority. Fourth, imperialism deployed a widely accepted principle of political, moral and intellectual organisation to create its social order: racism.

By 1945, all four of these elements of imperial power had been eroded. First, the new transnational oil companies had to establish their oligopolies and exclusive territories by secret collusion rather than imperial edict; they had

to acquire the rights to particular territories by negotiation with local powers rather than by force. Military support was now available only in exceptional circumstances.

Second, although by 1945 the United States enjoyed preponderant global military power, its use was quite restricted. In the Arab world, the popular uprisings of 1919–20 (see Chapter 4), followed by the more extended Palestinian rebellion of 1936–39, had shown the British the difficulties of maintaining military occupation by force, and the Americans were to learn the same lesson a little later in south-east Asia. Part of the difficulty was that countries of the global south would no longer accept foreign military bases. In 1945 the United States had military bases in occupied Germany and Japan – but almost nowhere else in between. That year, it negotiated and began construction of a military base at Dhahran, the centre of Aramco's oil operations in Saudi Arabia. In the 1950s Dhahran became the largest US military base anywhere between Germany and Japan. Washington managed to retain the base only until 1962, when popular anti-imperialism forced the Saudi government to ask the Americans to leave. Not until three decades later, following Iraq's invasion of Kuwait in August 1990, were the Americans provided with an opportunity to reoccupy the base.

Third, by the 1930s, population growth in most northern European countries had slowed drastically or halted altogether, and there was no longer a large white settler population able to accompany the establishing of overseas corporate operations. Moreover, the smaller groups of white settlers that accompanied corporate expansion abroad, such as the American colony in Dhahran, no longer enjoyed complete immunity from local law.

Finally, the rise of fascism and the Nazi holocaust in Germany had suddenly rendered European racism an embarrassing system of political and social organisation. Corporations like Aramco brought all the methods of American racial segregation of labour to Arabia, with separate residential compounds and standards of living for four separate racial groups (Americans, Italians, Indians and non-Saudi Arabs, and Saudis), and the British imported similar arrangements to Iran and Iraq from India. But corporate racism led to frequent labour protests, making the position of the oil companies increasingly fragile.¹²

This historical context, then, represents the fourth significant feature of the political economy of oil: the major oil companies required a system based on the exclusive control of oil production and limits to the quantity of oil produced – only an anti-market arrangement of this sort could guarantee their profits. But they sought to consolidate such an arrangement, beginning in the 1930s, and again after the Second World War, at precisely the moment when the old

¹² Robert Vitalis, *America's Kingdom: Mythmaking on the Saudi Oil Frontier*, 2nd edn, London: Verso, 2009.

methods for establishing exclusive control over the production of resources overseas – colonialism – were in the process of collapse. It was these factors that were to give political Islam its special role in the political economy of oil.

A MORAL ALLIANCE

Ibn Saud, the future king of the future Saudi Arabia, grew up in exile in the British protectorate of Kuwait. In 1902 he captured his family's former base, the town of Riyadh in central Arabia, and for the following quarter of a century was one of several warlords competing to control the Arabian peninsula. He depended initially on funds from British India, and subsequently on an alliance with the *muwahhidun*. Although not himself especially devout, he drew his strongest military force from the Ikhwan, or Brotherhood – an egalitarian movement attempting to replace the increasingly threatened life of Arabian tribal nomadism with settlement and agriculture, and the degenerate practices of saint worship and excessive veneration of the Prophet with the strict monotheism of *tawhid*. The Ikhwan revived the classical doctrine of *jihad* (the duty to struggle against unbelievers) and expanded it to justify war even against those fellow Muslims whom they considered to have abandoned the true form of Islam. In place of tribal raiding and the extraction of income from the declining trans-Arabian caravan trade, the Ikhwan joined Ibn Saud in a war against what they saw as the polytheism of the wider Muslim community.

In 1913–14 Ibn Saud took control of eastern Arabia (whose mainly Shi'a population the *muwahiddun* considered heretics). 'Akhwanism is not the entirely bad movement it is made out to be,' reported the British agent in Bahrain, following an investigative trip to al-Hasa in 1920. 'It seems to be a genuine religious revival, an attempt on the part of the masses of Central Arabia to improve themselves religiously and mentally.' Ibn Saud, the agent reported, 'thought to make use of the movement to strengthen his position, but in the end found he was forced to spread its doctrines and become its leader lest he should go under himself'. However, both Ibn Saud and his lieutenants 'have the movement well in hand'.¹³ After capturing north-western Arabia, in 1925 Ibn Saud seized the kingdom of Hejaz in the west, which contained the holy cities of Mecca and Medina with their powerful merchant families, and provided its ruler with a large annual income from pilgrimages to Mecca. The Ikhwan began to impose their form of purified Islam on the Hejazis, destroying a memorial at the prophet Muhammad's birthplace, and other places of worship they considered improper, and banning the consumption of alcohol and tobacco. To control the Ikhwan's zeal, Ibn Saud set up his own committees on public morality, charged

13 H. R. P. Dickson, 'Notes on the "Akhwan" Movement', June 1920, National Archives of the UK: Public Record Office: Cabinet Office Records, PRO CAB 24/107.

with the suppression of vice and, increasingly, policing the spread of 'harmful ideas' and participation in anti-government meetings.¹⁴

The autocratic rule that Ibn Saud was building relied on British funding and weapons to defeat rival powers in Arabia; the Ikhwan were dedicated to ridding Arabia of personal corruption and immorality, which they associated with the presence and power of colonialism. Inevitably a tension arose between the ruler's need for foreign support and the puritan force that helped him conquer and rule Arabia. Following the conquest of Hejaz, the Ikhwan began pushing to expand their jihad northwards into Jordan, Kuwait and Iraq – British protectorates that Ibn Saud could not afford to challenge. In 1927 the Ikhwan rebelled against Ibn Saud's restraint on their expansion. With British help, he crushed the revolt, and by 1930 had neutralised the Ikhwan movement.

The *muwahhidun* remained a powerful force in Arabian politics, but were unable to prevent Ibn Saud's accommodation with the imperial powers that financed him. In the same year that he defeated the Ikhwan, he began negotiations with the Standard Oil Company of California (now Chevron), mediated by St John Philby, and began to switch from British to American protection. To win acceptance for this foreign support, he made a compromise with the religious establishment. The *muwahhidun* leadership would tolerate the role of the foreign oil company, and in return their programme to convert Arabia to the teachings and discipline of *tawhid* would be funded with the proceeds from oil.

Thus this successful warlord depended on two different forces to construct the new political order in Arabia. The Arabian-American Oil Company (Aramco) provided the funds, as well as technical and material assistance.¹⁵ The company built the country's new towns, road system, railway, telecommunications network, ports and airports, and acted as banker to the ruling family and investor in Saudi enterprise, especially in contracting local companies to serve Aramco's needs in eastern Arabia. Aramco paid the oil royalty not to a national government but to a single household, that of Ibn Saud, who now called himself king and renamed the country, previously the provinces of Hejaz and Nejd, the 'Kingdom of Saudi Arabia', creating the only country in the world to be named after a family. As a consequence of this corporate arrangement, the millions and

14 Alexei Vassiliev, *The History of Saudi Arabia*, New York: New York University Press, 2000: 270–1.

15 Standard Oil of California established Aramco in 1933 as the California Arabian Standard Oil Company, adding Texaco as co-owner in 1936. In 1943, Socal persuaded the US government to take over the company's and Great Britain's funding of the Saudi government. The US government then decided to nationalise the company. Socal managed to limit the proposed state ownership to one-third, but then Exxon and Mobil defeated the plan. In response to these threats, in 1944 Socal renamed the company the Arabian American Oil Company (Aramco), and in 1946 agreed to add Exxon and Mobil as co-owners. Irvine H. Anderson, *Aramco, the United States, and Saudi Arabia: A Study of the Dynamics of Foreign Oil Policy, 1933–1950*, Princeton: Princeton University Press, 1981.

later billions of dollars paid for oil each year became the private income of a single kin group – albeit one that reproduced so successfully that within three or four generations Ibn Saud’s offspring were said to number some 7,000.¹⁶ This ‘privatisation’ of oil money was locally unpopular, and required outside help to keep it in place. In 1945 the US government established its military base at Dhahran, and later began to train and arm Ibn Saud’s security forces, which imprisoned, threatened, tortured, executed or exiled those who opposed the ruling family. The religious establishment, on the other hand, created the moral and legal order of the new state, imposing the strict social regime that maintained discipline in the subject population and suppressed political dissent.

When Aramco began to expand its operations after the Second World War, opposition emerged among the workforce to the company’s system of racial segregation and inequality. In response to a series of strikes in 1945 in protest against the unequal pay and living conditions of different racial groups, Aramco set up an Arabian Affairs division, to gather better intelligence on its workforce and try and root out ‘labor agitators.’¹⁷ A further series of protests culminated in a general strike in July 1956. The workers’ demands included the introduction of a political constitution; the right to form labour unions, political parties and national organisations; an end to Aramco’s interference in the country’s affairs; the closure of the US military base; and the release of imprisoned workers. Aramco’s security department identified the leaders to the Saudi security forces, including the Ikhwan. The government had re-established Ikhwan militias in the 1950s, renamed the National Guard – although its members were still called *mujahideen* (‘those engaged in jihad’) – to provide a counterweight to the army, itself the locus of considerable dissent. Hundreds of protesters were arrested, tortured and sentenced to prison terms or deported from the country. During these events, as ever, American oil executives and the forces of jihad worked hand-in-hand to keep the political economy of oil in place.¹⁸

With internal opposition to this political economy of oil silenced, the main threat came from abroad – from the nationalist governments of Egypt and Iraq, which in the later 1950s began to denounce the corruption of the Saudi monarchy and its misappropriation of what they now referred to as ‘Arab oil’. To meet this threat, the government of Saudi Arabia used oil money to enable the religious establishment to promote its programme of moral authority and

16 Saïd K. Aburish, *The Rise, Corruption, and Coming Fall of the House of Saud*, 2nd edn, New York: St Martin’s Griffin, 1996: 7. Aburish estimates that about 15 per cent of national oil income is taken as the private income of the royal family. Most of this money is deducted from the country’s oil income before it is recorded in national accounts, so precise figures are unavailable. This money excludes the family’s income from pay-offs on arms purchases and other non-oil trade (pp. 294–5).

17 Vitalis, *America’s Kingdom*: 92–8.

18 Vitalis, *America’s Kingdom*: 176–83; Vassiliev, *History of Saudi Arabia*: 337.

social conservatism abroad. In particular, they funded the revival of an Islamic political movement in Egypt, which the government of Gamal Abdel Nasser had attempted to suppress in the late 1950s. They supported similar movements in Pakistan and throughout the region.

Aramco's political officers had helped devise this scheme. William Eddy, the CIA agent on Aramco's staff, had called for 'a moral alliance between Christians and Muslims against the common threat of communism.' Informed of 'the coolness of the response' when the idea was relayed to ambassadors of the more secular governments of Lebanon, Jordan and Iraq, he acknowledged 'it was not their dish and it was not meant for them.'¹⁹ By 1956, Eisenhower was being won over to the idea of promoting King Saud, who had succeeded his father Ibn Saud in 1953, as a rival regional leader to Nasser. The US president noted in his diary that 'Arabia is a country that contains the holy places of the Moslem world, and the Saudi Arabians are considered to be the most deeply religious of all the Arab groups. Consequently, the King could be built up, possibly, as a spiritual leader. Once this were accomplished, we might begin to urge his right to political leadership.'²⁰ King Saud preferred to side with Arab nationalists and reformers, so the Americans shifted their support to his rival, Prince Faisal, who served as his brother's prime minister and then ousted him in 1964. Faisal removed reformists and modernisers from government, including the minister of petroleum, Abdullah Taraki, who had helped establish OPEC, was planning the gradual Saudi takeover of Aramco, and was one of a group of Saudi administrators and intellectuals making plans for a written constitution, an elected parliament and a programme of industrialisation. Championed by the Americans as an enlightened monarch, the reactionary Faisal resumed the campaign against Nasserism and in support of Islamist movements abroad.²¹ The Americans, it seems, were ready to help. A former foreign affairs editor of *Newsweek*, Harry Kern, who according to the British embassy in Cairo 'runs an intelligence machinery for the oil companies in the region and cooperates in this with the CIA', was said by local sources to be 'behind the use of "Islam" as a political springboard for King Feisal's role outside his country.'²²

19 William A. Eddy Papers, letter from Myron B. Smith, 19 December 1950, and reply from Eddy, 29 December 1950, Box 8, General Correspondence, Folder 7, 1948–54, Public Policy Papers, Department of Rare Books and Special Collections, Princeton University Library.

20 'Diary Entry by the President', 28 March 1956, FRUS, 1955–57, XV, cited Matthew F. Jacobs, 'The Perils and Promise of Islam: The United States and the Muslim Middle East in the Early Cold War', *Diplomatic History* 30: 4, 2006: 734. See also Salim Yaqub, *Containing Arab Nationalism: The Eisenhower Doctrine and the Middle East*, Chapel Hill: University of North Carolina Press, 2004: 44.

21 Vitalis, *America's Kingdom*: 188–264; Nathan J. Citino, *From Arab Nationalism to OPEC: Eisenhower, King Sa'ud, and the Making of US-Saudi Relations*, Bloomington: Indiana University Press, 2002: 95–6, 125–33.

22 Canadian Embassy (British Interests Section), Cairo, to Foreign Office, 8 July 1966, National Archives of the UK: PRO, FO 371/185483-0001.

Meanwhile, former Aramco employees now working for the CIA helped hatch plots to kill the presidents of Egypt and Iraq, whose governments had introduced land reform, women's rights, universal education and other populist programmes. Nasser survived, but in 1963 the Iraqi government was overthrown and the president killed in a US-supported military coup that brought to power the Ba'ath – the party of Saddam Hussein (see Chapter 6).²³ One other pillar of US Middle East policy was established in the same period, from around 1958: the decision to arm and finance the state of Israel, as another agent, alongside Islamic conservatism, that would help undermine Arab nationalism.²⁴

The fact that oil money helped develop the power of the *muwahhidun* in Arabia after 1930 and made possible the resurgence of Islamic political movements in the 1970s has often been noted. But it is equally important to understand that, by the same token, it was an Islamic movement that made possible the profits of the oil industry. The political economy of oil did not happen, in some incidental way, to rely on a government in Saudi Arabia that owed its own power to the force of an Islamic political movement. Given the features of the political economy of oil – the enormous rents available, the difficulty in securing those rents due to the overabundance of supply, the pivotal role of Saudi Arabia in maintaining scarcity, the collapse of older colonial methods of imposing anti-market corporate control of the Saudi oilfields – oil profits depended on working with those forces that could guarantee the political control of Arabia: the House of Saud in alliance with the *muwahhidun*. The latter were not incidental, but became an internal element in the political economy of oil. 'Jihad' was not simply a local force antithetical to the development of 'McWorld'; McWorld, it turns out, was really McJihad, a necessary combination of a variety of social logics and forces.

The idea of McJihad requires a distinctive understanding not so much of the historical role of particular Islamic movements, but of the nature of what we call global capitalism. Even among its critics, capitalism is usually talked about in terms of its logic and its power. 'Jihad', in this view, stands for a localised and external resistance to capitalism's homoficient historical logic.²⁵ The history of McJihad, in contrast, is a history of a certain incoherence and weakness, of a

23 On the possible role of the CIA in the plot to kill Nasser, see Aburish, *House of Saud*: 128. On the CIA's failed attempt to murder President Qasim of Iraq in February 1960, see Thomas Powers, 'Inside the Department of Dirty Tricks: Part One, An Isolated Man', *Atlantic Monthly*, August 1979. On CIA support for the 1963 coup see PBS/Frontline, 'The Survival of Saddam: An Interview with James Akins', at www.pbs.org.

24 The consequences of this alliance with Israel were explored in our discussion of the 1973–74 oil crisis.

25 The 'homoficiency' of capital refers to the view that, regardless of local variation, at some level capitalism always does the same thing, or has the same effect. See Timothy Mitchell, *Rule of Experts: Egypt, Techno-Politics, Modernity*, Berkeley: University of California Press, 2002: 245.

politics 'ridden with inner tensions'. It is a concept that directs attention to the impossibility of securing the enormous profits of oil except through arrangements that relied on quite dynamic but seemingly uncapitalist social forces. But in what sense were these forces 'uncapitalist'? They were not some pre-capitalist, 'cultural' element resisting capitalism from the outside. Whatever their historical roots, they were dynamic forces of the twentieth century, whose role developed with the development of oil. Yet their role in the economy of oil was a disjunctive one. While it was essential to the making of oil profits, political Islam was not itself orientated towards that goal. The *muwahhidun* and other Islamic movements had their own agendas – sometimes stemming from injustices and inequalities that people suffered, or from threats to local ways of living a moral life or to local arrangements of hierarchy and respect, including male prerogatives in family and gender relations. Seen as a process of McJihad, oil-based industrial capitalism no longer appears self-sufficient. Its success depends on other forces, which are both essential to and disjunctive with the process we call capitalist development.

MAINTENANCE WORK

In 1967–74, as we saw in the previous two chapters, relations between producer states, the major oil companies and the United States were transformed. Following that transformation, militarism, crisis and war played an increasing role in managing the tensions of McJihad. The greatly increased oil revenues after 1973 were recycled into the US and other Western economies – partly through Saudi purchases of US Treasury bonds and other investments in the West, but also through extensive purchases of American and European military equipment, which accelerated after the oil boom. Arms manufacturers joined oil companies in the increasing dependence of their profits on political arrangements in the Middle East. Meanwhile, Western banks, awash in the flood of petrodollars, embarked on a disastrous series of loans to governments in the global south. When the loans failed, the banks helped devise the programme known as structural adjustment, which made the people of those countries rather than their governments or the bankers pay for the failure. In Egypt, for example, where the banks made especially bad loans, structural adjustment reduced spending on schools, medicines, factories and farming, but left lucrative state construction projects and large military budgets intact.²⁶ The United States found it increasingly difficult to keep in power the autocratic governments on which this political economy of oil depended, and the essential role played within it by political Islam became increasingly disjunctive.

²⁶ Ibid.: 209–303.

The series of crises is well known. From 1975, opposition to the shah's dictatorship in Iran gathered strength, and critical sections of the religious establishment began to turn against the regime, whose resort to violence and repression stimulated a revolutionary movement in 1978–79 that overthrew the state. In Egypt, the government encouraged the Islamist movement in the 1970s as a means of weakening secular political opposition, but faced increasing popular protest and dissent, culminating in the January 1977 food riots, when crowds protesting against the government's doubling of the price of bread occupied Tahrir Square in Cairo. After the security forces killed dozens, and possibly hundreds, of protesters, the demonstrations spread across the country. The government was able to re-establish control only when it rescinded the price increases.²⁷ In October 1981, the members of a militant Islamist cell seeking to take advantage of this popular outrage assassinated President Sadat and attempted an armed uprising, which the military regime quickly suppressed.

Over the following decade Washington increased its involvement in maintaining or prolonging a series of wars and political conflicts, through the arming of protagonists and the blocking of diplomatic solutions. Other outside powers – principally Britain, France and the Soviet Union – also supplied weapons, and several local states resorted to military violence, in some cases using it continuously as a means of repression. But what distinguished the United States was the breadth of its involvement in the use of violence across the region, its increasing reliance on wars of attrition as a normal instrument of politics, and its efforts to prevent the resolution of conflicts. There were three major instances of this policy – Iran/Iraq, Afghanistan, and Israel/Palestine.

The Iranian Revolution had left the United States without an ally in either of the two major powers in the Gulf, Iran and Iraq. In September 1980 Iraq invaded Iran, with no objection from Washington, and possibly with its encouragement.²⁸ The United States then seized the opportunity to weaken both countries by working to prevent a resolution to the war. Washington gave Iraq enough financial and military support to avoid defeat, but left it unable to extricate itself from the conflict. At the same time US weapons were supplied to Iran, mostly by Israel,

²⁷ Yahya M. Sadowski, *Political Vegetables? Businessman and Bureaucrat in the Development of Egyptian Agriculture*, Washington, DC: Brookings Institution, 1991: 156.

²⁸ Iraq planned a short war modelled on Israel's Six-Day War of 1967, to seize the Shatt al-Arab waterway and a section of adjoining territory. Achieving this on the fifth day of the war, 28 September, Iraq halted its advance and announced it was willing to cease fighting and negotiate a settlement. The United States delayed action at the Security Council until this point, then passed a resolution that called for a ceasefire but made no mention of Iraq's aggression or a return of forces to the international border. Efraim Karsh, 'Military Power and Foreign Policy Goals: The Iran–Iraq War Revisited', *International Affairs* 64: 1, Winter 1987–88: 92; Saïd K. Aburish, *Saddam Hussein: The Politics of Revenge*, New York: Bloomsbury, 1999: 186–9, gives evidence of closer US–Iraqi ties on the eve of the war.

while Washington rejected Soviet attempts to organise peace talks.²⁹ In 1983–84, Iraq attempted to end the war by escalating it to new levels – first by using chemical weapons against Iran, then by attacking oil facilities and shipping in the Gulf. When the US envoy Donald Rumsfeld discussed this escalation with Saddam Hussein in December 1983, the Iraqi president explained that ‘what was needed was to stop the war, or put the Gulf in a balanced situation for both belligerents’. The United States chose the latter course, increasing its support for Iraq.³⁰ Washington also worked to prevent any UN resolution that would penalise Iraq for launching the war or make it liable for reparations – the conditions Iran demanded for ending the fighting. The US helped to keep the war going for eight years, at a cost of more than a million people killed and wounded in the two countries.

After the war the United States hoped to turn Iraq’s wartime dependence on its support into a long-term economic and political relationship. But Saddam Hussein’s invasion of Kuwait in August 1990, intended to solve the financial crisis the earlier war had caused, put an end to that possibility. Instead it provided Washington with a further opportunity to weaken Iraq through a protracted conflict. After driving the Iraqi forces from Kuwait, the United States and Britain established the UN sanctions regime, officially to disarm Iraq, but in practice used to keep the country financially crippled and prevent its economic recovery. Washington justified this policy by claiming that Iraq had failed to disarm, although it produced no evidence for the claim. The available evidence indicated that Iraq was known to have eliminated its proscribed weapons and weapons programmes by 1995. The United States and Britain kept this knowledge secret in order to delay the removal of the sanctions.³¹ In March 1997, Washington

29 M. S. El Azhary, ‘The Attitudes of the Superpowers Towards the Gulf War’, *International Affairs* 59: 4, Autumn 1983: 614, 616.

30 Rumsfeld had been warned by US diplomats before the talks that, ‘Given its desperation to end the war, Iraq may again use lethal or incapacitating CW [chemical weapons]’. Rumsfeld told Saddam Hussein that ‘it was not in interest of region or the West for conflict to create instability or for outcome to be one which weakened Iraq’s role or enhanced interests and ambitions of Iran’. US Department of State, Office of the Assistant Secretary for Near Eastern and South Asian Affairs, Action Memorandum from Jonathan T. Howe to Lawrence S. Eagleburger, ‘Iraqi Use of Chemical Weapons’, 21 November 1983; and United States Embassy in United Kingdom Cable from Charles H. Price II to the Department of State, ‘Rumsfeld Mission: December 20 Meeting with Iraqi President Saddam Hussein’, 21 December 1983, both documents available at National Security Archive, ‘Shaking Hands with Saddam Hussein’, www.gwu.edu/~nsarchiv.

31 The evidence available before the 2003 war, and confirmed after it, indicated that Iraq’s nuclear weapons programme and its chemical weapons stocks and production facilities were destroyed under UN supervision soon after the 1991 war. Iraq also destroyed its biological weapons stocks then, but without informing the UN. The existence of the pre-1991 biological weapons programme was not revealed until 1995, when two senior Iraqi officials defected; the biological weapons facility was destroyed by UNSCOM in 1996. The defectors also revealed that the programme had been disbanded, but this part of their information was kept secret by Washington, as it would remove the argument for retaining sanctions. The US and Britain also claimed that it was technically feasible for Iraq to have produced more chemical weapons in the 1980s than the quantities it declared and destroyed after 1991. They had no evidence to support this hypothesis,

declared that sanctions would remain in place indefinitely, even if Iraq were found to have complied with its obligations regarding proscribed weapons, and eighteen months later passed a law allocating to 'democratic' groups attempting to overthrow the Iraqi government funds of \$99 million, of which \$97 million was for military assistance.³² A bombing campaign to enforce no-fly zones, which had no UN authorisation, was escalated periodically to further harass the Iraqi regime, and information gathered in the UN weapons inspections was used in a series of unsuccessful American efforts to assassinate the Iraqi leadership.

By 1998, Washington's policy of protracted violence in the Gulf had been in place for two decades; but it was proving difficult to sustain. Grassroots campaigns against the sanctions publicised the fact that they had contributed to as many as half a million infant deaths in Iraq, and that the United States was continuing to use them to block the supply of medicines, water-purification equipment and food-processing machinery. France and Russia, to whom Iraq owed billions of dollars, wanted to pursue economic opportunities in the country. In response, in December 1998 Washington withdrew the UN inspectors and escalated the bombing. By halting the inspections the United States delayed the risk of their completion and thus of an end to the sanctions, buying more time for its efforts to bring down the Iraqi regime.

On Iran's other flank, in Afghanistan, Washington helped exacerbate a second conflict and transform it into a protracted war. US involvement in Afghanistan is usually seen as a response to the Soviet military intervention of 1979. In fact it began earlier, and its goal may have been to provoke the invasion by Soviet troops and prevent their withdrawal. In 1973, army officers had overthrown the Afghan monarchy and, in alliance with the left, promised a programme of land reform and social transformation. The shah's Iran, encouraged by the United States, initiated a scheme of aid and intervention to weaken

despite exhaustive UN inspections. The effectiveness of the hypothesis as an argument for sanctions (and later war) lay not in any supporting evidence, but in the fact that there was no way Iraq could disprove it. This inability to disprove allegations was presented by the US government and media as a sign of Iraq's duplicity. 'We said Saddam Hussein was a master of denial and deception,' a senior US member of the UN inspection team later said. 'Then when we couldn't find anything, we said that proved it, instead of questioning our own assumptions.' Quoted in Bob Drogin, 'US Suspects It Received False Iraq Arms Tips', *Los Angeles Times*, 28 August 2003. See Sarah Graham-Brown, *Sanctioning Saddam: The Politics of Intervention in Iraq*, London: I. B. Tauris in association with MERIP, 1999; and Glen Rangwala, 'Claims and Evaluations of Iraq's Proscribed Weapons', 18 March 2003, available at www.grassrootspeace.org/iraqweapons.html. On the failure of a CIA mission to find any evidence of proscribed weapons or weapons programmes after the 2003 war, see 'Statement on the Interim Progress Report on the Activities of the Iraq Survey Group', 2 October 2003, available at www.cia.gov/news-information/speeches-testimony/2003/david_kay_10022003.html.

³² Secretary of State Madeleine Albright explained: 'We do not agree with the nations who argue that if Iraq complies with its obligations concerning weapons of mass destruction, sanctions should be lifted.' Speech at George Washington University, 26 March 1997, available at www.globalsecurity.org/wmd/library/news/iraq/1997/bmd970327b.htm. The text of the Iraq Liberation Act is available at thomas.loc.gov/home/bills_res.html.

the leftist elements in Kabul and draw the country away from its longstanding reliance on Soviet support into the orbit of US–Iranian power. Like other US-backed interventions, this one ended in failure. In April 1978, the Afghan left seized power, introduced a radical programme of land reform in an attempt to overthrow the old social order by force, and turned to the Soviet Union for increased support. As political unrest spread across the country, the United States began to underwrite Pakistan's efforts to destabilise the government, and in March 1979 started discussing plans for what a Pentagon strategist called 'sucking the Soviets into a Vietnamese quagmire' in Afghanistan.

Informed by its Soviet specialist that 'a substantial US covert aid programme could raise the stakes and induce the Soviets to intervene more directly', in April the National Security Council approved a secret programme of support for counter-revolutionary forces attempting to overthrow the Afghan government.³³ In July Washington began to arm the Pakistan-supported Islamic political parties known as the *mujahideen*. The jihad was to be funded jointly by the United States and Saudi Arabia, equipped with Soviet-style weapons from Egypt, China and Israel, and supplied with additional recruits from the Islamic movements of Egypt, Saudi Arabia, Yemen and other countries.³⁴ US support for the Islamic forces based in Pakistan began almost six months before the Soviet invasion, and its aim was not to oppose that invasion but, if anything, to provoke it. As US national security advisor Zbigniew Brzezinski later confirmed, the US hoped to cause a war that would embroil the Soviet Union in 'its own Vietnam'.³⁵ The Soviet attempt to negotiate a withdrawal beginning in 1983 was rejected by Washington in favour of prolonging the war. The pro-war party within the US government, led by Richard Perle, arranged to more than double the supply of arms to the *mujahideen* in a successful effort to delay the Soviet departure.³⁶

The third major conflict that the United States helped maintain was that between Israel and the Palestinians. Like the other two, it is a conflict in which

33 Robert Michael Gates, *From the Shadows: The Ultimate Insider's Story of Five Presidents and How They Won the Cold War*, New York: Touchstone, 1997: 145–6. On the political unrest that spread in response to the attempt to break the old social order through land reform, see Barnett R. Rubin, *The Fragmentation of Afghanistan: State Formation and Collapse in the International System*, 2nd edn, New Haven: Yale University Press, 2002: 111–21.

34 John K. Cooley, *Unholy Wars: Afghanistan, America and International Terrorism*, 2nd edn, London: Pluto Press, 2000; Rubin, *Fragmentation of Afghanistan*: 197.

35 'How Jimmy Carter and I Started the Mujahideen: Interview with Zbigniew Brzezinski', *Le Nouvel Observateur*, 15–21 January 1998: 76. The interview was not included in the abridged edition of the magazine sold in the United States.

36 Diego Cordovez and Selig S. Harrison, *Out of Afghanistan: The Inside Story of the Soviet Withdrawal*, London: OUP, 1995: 102–5, details the Reagan administration's efforts to prevent a Soviet withdrawal. Cordovez, the United Nations undersecretary-general for special political affairs, negotiated the Geneva Accords of 1988 that provided a framework for the Soviet withdrawal, completed in 1989. US aid to the *mujahideen* increased from \$120 million in fiscal year 1984 to \$250 million in 1985, and almost doubled again in the later 1980s, when combined US and Saudi aid reached \$1 billion per year (Rubin, *Fragmentation of Afghanistan*: 180–1).

the US role is widely misunderstood. Following the June 1967 war, the Israeli government adopted the Allon plan, a programme for the gradual colonisation of the newly occupied Palestinian lands and their incorporation into Israel, while reserving pockets of territory for the occupied population, to be administered by Jordan or a quisling Palestinian authority. In opposition to this scheme, the United Nations, the European Union and the Arab states presented a series of proposals to resolve the conflict, based on an end to the occupation and the creation of a Palestinian state alongside Israel.³⁷ These proposals were ignored or rejected by the United States, which vetoed all calls for an international peace conference.³⁸ Instead, Washington helped Israel implement the Allon plan. As an alternative to an internationally imposed settlement, which would require an immediate end to the Israeli occupation, Washington promoted a series of agreements – the 1979 Camp David accords, the 1993 Oslo accords, and the 2003 Road Map – all of which left the occupation in place.³⁹ In April 2011, when President Barack Obama called on the Palestinians to negotiate with Israel for the creation of a state ‘based on the 1967 lines with mutually agreed swaps’, he was continuing this strategy.⁴⁰ The policy of forcing an occupied people to negotiate the terms of its subjugation

37 The United States refused to support the 1971 Sadat peace proposal, the UN Security Council proposal of January 1976, the PLO proposals of 1977, the 1980 Venice Declaration, the 1981 Fahd peace plan, the 1982 Rabat initiative, the 1983 UN peace conference proposal, and numerous subsequent efforts to end the occupation on the basis of a two-state solution, including the Arab Peace Initiative announced in 2002 and reissued on multiple occasions.

38 See Chapter 7. The partial exceptions to this US veto were the Geneva talks planned for 1977 and the Madrid talks of 1991–93, although at Israel’s request the US prevented the participation of the Palestinian leadership in both cases. When the talks still threatened to put pressure on Israel to end the occupation, Israel undermined them by opening secret talks outside the conference, offering a concession to a single party – with the Egyptians in 1977, offering them the return of the Sinai, and with the PLO in 1993, offering them a role in administering Palestinian enclaves in the occupied territories and future talks about their status.

39 On 24 June 2002, the United States appeared to end its policy of refusing to support the creation of a Palestinian state, when President George W. Bush mentioned that ‘My vision is two states, living side by side in peace and security’. Unopposed by Washington, however, Israel had by then started constructing a wall around and within the West Bank (the Gaza Strip had been fenced in a decade earlier) separating Palestinian neighbourhoods of Jerusalem and its environs from the rest of the West Bank and further dividing the latter into enclaves cut up by Zionist settlements and Jewish-only roads, making it clear that the Palestinian ‘state’ was to be a series of Israeli-controlled enclosures, as envisioned in the Allon plan, rather than a sovereign political territory. Maps of US and Israeli boundary proposals since the Oslo accords show how closely they follow the Allon plan (available at www.passia.org).

40 Obama retained the US position that any Palestinian state could be established only by mutual agreement with Israel, and that in the interim, whose duration was unspecified and also subject to Israel’s agreement, Palestinians had to demonstrate the ‘effectiveness of security arrangements’ – exactly the conditions that enabled Israel to use the Oslo accords as a delaying mechanism to consolidate its colonisation of large areas of greater Jerusalem and other parts of the occupied territories. The White House, Office of the Press Secretary, ‘Remarks by the President on the Middle East’, at www.whitehouse.gov/briefing-room.

with the occupying power, for which there was no precedent in any other modern conflict, enabled Israel to proceed with the colonisation, accelerating its seizure of land and the planting of Zionist settlements with each successive 'peace plan', while the US gave Israel the financial and military support necessary to maintain the occupation and suppress Palestinian resistance to it.

None of the three conflicts discussed here was initiated by the United States. In each case there was an existing conflict or international dispute in which local parties were willing to resort to force. Other outside powers were involved, either indirectly through the supply of arms to the protagonists, or directly, for example in the Soviet intervention in Afghanistan. Most governments in the region used military or police violence as a normal instrument of politics, either against specific groups (Turkey against its Kurdish population; the Sudanese government against its rural populations; Israel against the Palestinians), or as a general instrument of repression. The role of the United States, however, was different. It was distinguished by the breadth of its involvement in the use of violence across the Middle East, the scale of its financial commitment to providing the means for carrying it out, and its increasing reliance on long-running conflict as a normal instrument of politics. These policies contributed to making the last quarter of the twentieth century perhaps the most violent period in the region's recorded history.

The perpetuation of conflict was a symptom of the relative weakness of the United States, given its imperial ambitions. Unable to establish its hegemony over many parts of the region, or even to control it by force, it fell back upon protracted warfare as the next best means of weakening those local powers that refused to accept its authority.

EXPORT FIGURES

In Saudi Arabia, meanwhile, the increasing levels of opposition to the corruption of the ruling dynasty and the repression of political activity found its outlet in the religious schools and mosque preachers of the *muwahhidun* – the only form of political expression the regime could not suppress. The discontent was briefly visible in November 1979, when armed rebels seized control of significant territory around the holy cities of Mecca and Medina. The following month, one thousand militants seized the Grand Mosque in Mecca, calling for the liberation of the country from the rule of the Saud dynasty. They denounced the hypocrisy of the government for paying outward respect to religion while engaging in 'oppression, corruption, and bribery'. They criticised the Saud family for seizing people's land and squandering the state's money while living 'a dissolute life in luxurious palaces'. Government troops took a week to regain control of the mosque, killing hundreds of the rebels. Their leader and sixty-three other survivors were later executed.⁴¹

41 Vassiliev, *History of Saudi Arabia*.

Political discontent increased in the 1980s, especially after the collapse of the price of oil in 1984–85, which precipitated a fiscal crisis, a sharp fall in national income and high levels of unemployment. The Saudi government saw in Afghanistan a solution to these growing domestic difficulties. It exported as many as 12,000 young religious activists, increasingly critical of the corruption of the ruling family, to fight the crusade against the Soviet Union in Afghanistan.⁴² Osama bin Laden emerged as the coordinator of the anti-communist crusade, benefiting from both his family's close connections to the Saudi regime and his standing outside the country's system of powerful kin groups, as the son of an immigrant from Yemen, enabling him to appeal to followers across boundaries of kinship. In the 1990s, as the *mujahideen* returned from Afghanistan, the country's economic difficulties worsened. The 1990–91 war against Iraq galvanised a much broader opposition. Despite the billions of dollars squandered on arms purchases in preceding years, the regime suddenly appeared helpless, hastily agreeing to the arrival of American forces to save it from the Iraqi threat. The combination of factors keeping the regime in power – the military resources of the West and the local authority of the *muwahhidun* – was becoming increasingly difficult to hold together. Returning from Afghanistan, and gaining new recruits, the jihadists launched campaigns to drive the foreign troops out of the Arabian peninsula, as they had done in Afghanistan, while others launched a campaign to destabilise the American-supported government in Egypt. They also turned their attention to direct attacks against the United States, culminating in the September 11 attacks on New York and Washington in 2001.

BACK TO IRAQ

In the decade that followed the September 11 attacks, two events transformed the politics of the Middle East. The first was the American-led invasion of Iraq in 2003; the second was the wave of revolutionary uprisings that moved across the region in 2011.

The Iraq war was an attempt to overcome the weaknesses of McJihad, but ended by generating greater difficulties and an increased dependence on disjunctive local forces. The US decision to invade Iraq was a response to the impasse reached by the end of the 1990s, after two decades of war, sanctions and covert operations had failed to bring about the collapse of either the Islamic Republic in Iran or the Ba'athist state in Iraq. The sanctions against Iraq had in fact strengthened the state and the ruling party, by making the general population more dependent on the regime for food rations and other necessities. In addition, as a British intelligence report explained, 'Regionally, Saddam has won

42 Gwenn Okruhlik, 'Networks of Dissent: Islamism and Reform in Saudi Arabia', *Current History* 101: 651, January 2002: 22–8.

the Street, posing a threat to pro-Western states and clients.⁴³ As the report's author later explained, Iraq, the only Arab country apart from Egypt 'with depth, human resources, enough water, [and] with a good bureaucratic tradition', had re-emerged as a major regional power and was becoming 'a real threat' to the Anglo-American relationship with Saudi Arabia and other oil states. He had remarked at the time, that 'the lack of our response to the re-emergence of Iraq as a serious regional power was like having tea with some very proper people in the drawing room and noticing that there was a python getting out of a box in one corner'.⁴⁴

Two factors added to the weakness of America's position. First, Russia, China and France were pursuing commercial relations with Iraq, the European Union had begun political initiatives, and even Britain was proposing an end to the Iraq sanctions.⁴⁵ Unable to develop ties with the two states that Republican Party strategists had designated, along with Syria, as 'the new axis', later renamed 'the axis of evil', the US had become increasingly isolated.⁴⁶ Second, there was growing evidence of an approaching global shortage of oil, as international oil companies were no longer able to replace all of the oil they produced through the discovery of new supplies. With Iran and Iraq possessing the world's largest known reserves of oil after Saudi Arabia, the US policy of trying to prevent the development of both countries' oil industries was only adding to its own weakness.

The difficulty of Washington's position was exploited by a group of American militarists whose influence in American politics reached back to the era of the 1968–74 policy transformation, when Richard Perle and others had served under Senator Henry Jackson, assisting his efforts to militarise American relations with the Middle East and block a peaceful settlement of the Palestine question. After helping to escalate and prolong the conflict in Afghanistan in the 1980s, they had advocated further American intervention following the 1990–91 Gulf War, to overthrow the government of Iraq. When out of office they were

43 'Letter from Richard Dearlove's Private Secretary to Sir David Manning', 3 December 2001, at www.iraqinquiry.org.uk/transcripts/declassified-documents.aspx; Toby Dodge, 'What Accounts for the Evolution of International Policy Towards Iraq 1990–2003?' at www.iraqinquiry.org.uk/articles.aspx.

44 'SIS4' – anonymous witness, the head of the Middle East section at MI6, Transcript Part 1, at www.iraqinquiry.org.uk/transcripts/private-witnesses.aspx.

45 Alan Goulty to Tom McKane, 'Letter and attachment, "Iraq Future Strategy"', 20 October 2000, and 'Letter . . . to Sir David Manning', at www.iraqinquiry.org.uk/transcripts/declassified-documents.aspx.

46 The term 'the new axis' was introduced in 1992 by Yossef Bodansky, the Israeli-American director of the Congressional Republican Party's Task Force on Terrorism and Unconventional Warfare. See Yossef Bodansky and Vaughn S. Forrest, 'Tehran, Baghdad and Damascus: The New Axis Pact', Task Force on Terrorism and Unconventional Warfare, House Republican Research Committee, US House Of Representatives, available at www.fas.org/irp/congress/1992_rpt/index.html.

housed in the think tanks of the neoliberal/neoconservative movement, which, as we saw, had been built with the help of the windfalls reaped by American oil billionaires from the 1973–74 rise in oil prices.⁴⁷ Returned to office under President George W. Bush in the November 2000 election, they began planning immediately for a war against Iraq, and seized on the September 11 attacks, which were unrelated to Iraq, to win support for the invasion of March 2003.

There was no shortage of reasons for the war. A senior MI6 officer in London, asked in December 2001 to provide the prime minister's office at short notice with a set of reasons to justify the overthrow of the Iraqi regime, came up with the following list: 'The removal of Saddam remains a prize because it could give new security to oil supplies; engage a powerful and secular state in the fight against Sunni extremist terror, open political horizons in the GCC states, remove a threat to Jordan/Israel, [and] undermine the regional logic on WMD.'⁴⁸ To win public support for the war, the United States and Britain focused on threats of terrorism and fears of weapons of mass destruction. 'Bush wanted to remove Saddam, through military action', the head of the British secret intelligence service reported after meetings in the US in July 2002, 'justified by the conjunction of terrorism and WMD'. Since the decision to invade had already been taken, 'the intelligence and facts were being fixed around the policy'.⁴⁹

Alan Greenspan, chairman of the Federal Reserve, noted after ending his term in 2006 that 'it is politically inconvenient to acknowledge what everyone knows: the Iraq war is largely about oil'.⁵⁰ By that point, however, such arguments were no longer inconvenient. The idea that America's inept and mismanaged invasion and occupation of Iraq, launched in March 2003, was driven by a grand geostrategic plan, or even by a simple intention to take control of the Middle Eastern 'oil spigot', seemed improbable.⁵¹ If there was a commercial imperative involved in the war, it lay in the interests of military contractors, security firms and arms suppliers, for whom the 'strategic' importance of oil continued to supply a rationale and location for the expansion of business opportunities,

47 See Philip Mirowski and Dieter Plehwe, eds, *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective*, Cambridge, MA: Harvard University Press, 2009, and Chapter 7, above. The terms 'neoliberal' and 'neoconservative' were interchangeable, the first reflecting the movement's origins in right-wing European liberalism (and used more in relation to its economic programme), the second its place in American politics (and used more in relation to foreign policy).

48 'Letter . . . to Sir David Manning.'

49 Mathew Rycroft to David Manning, 'Iraq, Prime Minister's meeting, 23 July', 23 July 2002, published in the *Sunday Times*, 1 May 2005, at www.timesonline.co.uk. The war's proponents were careful not to portray the invasion as a war for oil, but used the 'stability' of the Gulf as a way to refer to oil interests.

50 Alan Greenspan, *The Age of Turbulence: Adventures in a New World*, London: Penguin, 2007: 463.

51 David Harvey offers a more eloquent outline of the 'oil spigot' argument in *The New Imperialism*, Oxford: OUP, 2008: 1–25.

rather than with oil companies, which were well aware that imperial powers and international firms could no longer ‘control’ the supply of oil. In any case, the impasse and isolation in which the US was caught following the failures of McJihad, combined with the supportive public mood in the wake of September 11, provided reasons enough for the war.

The protagonists of the Iraq war also presented the country’s invasion as an opportunity to bring democracy to the Middle East. The brutality of America’s enormous military power was an unlikely instrument of democratisation, especially as Washington combined it with another form of ruthlessness: a neoliberal scheme to impose on the country a deregulated, market-driven economic and political order, much of it to be built by the US private-sector contractors to whom the occupying power subcontracted the work of reconstruction, and even many of the processes of armed occupation.⁵² The destruction, death and political disarray brought by the war quickly aroused opposition to the occupation, not only among those who had prospered under the old regime or feared a wider social revolution, but, as casualties and chaos ensued, even among many who would have been glad to see the old order fall. Hardliners in Washington blocked a plan to transfer power quickly to an Iraqi administration, in favour of a more extended US occupation, installing a US civilian authority whose neoliberal programme to dismantle much of the Iraqi state and its entire armed forces, to close down its state-run industries, to remove all restrictions on foreign control of business and the export of profits, and to privatise its oil industry caused economic suffering and widened the opposition to the occupation. Neoliberal policies have always been intended to weaken democratic and egalitarian politics by moving control from public representatives to the private forces of the market.

The US preferred to rule through an unelected governing council, whose members were appointed to ‘represent the diversity of Iraq’ – meaning Shi’a Arabs, Sunni Arabs, Kurds, Turkmen and Assyrian Christians. Thus the actual diversity of Iraq, with its multiple, overlapping, frequently secular forms of political affiliation, and its modes of engagement that might be concerned with well-being, equality, or personal or national aspirations, rather than some form of sectarian identity, whether ethnic or confessional, was to be replaced with a simple American-devised identitarian politics of religion and ethnicity.⁵³ Unpopularity forced the occupation authorities to put an interim Iraqi government in power, but the Americans remained in control of construction contracts, the armed forces and many of the ministries.

52 Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism*, London: Allen Lane, 2007: 323–82.

53 Greg Muttit, *Fuel on the Fire: Oil and Politics in Occupied Iraq*, London: Bodley Head, 2011: 95.

The plans for the immediate privatisation of the petroleum industry were derailed by the large international oil companies, who preferred to negotiate arrangements with a single state authority than face a disorderly competition with an emergent local oil oligarchy, as they had faced in post-Soviet Russia, and were able to use the delay to cultivate ties within the new Iraqi Oil Ministry.⁵⁴

Workers in the country's main oilfields and refineries, and in other industries, tried to organise independent unions. But the US occupation authority had retained the former government's Law 150, outlawing independent labour unions in the public sector, and the new Iraqi government that took office in 2006 refused to remove the ban. The oil workers carried out strikes and protests over the payment of wages, the placing of contract workers on full-time salaries, the employment of foreign workers, and other issues. In 2010–11, the scale of protests increased, but the Oil Ministry was able to identify the union leaders and disperse them to other locations. In June 2010, dockworkers demonstrated against the ban on unions, and again the leaders were transferred to jobs in other parts of the country. In July 2010, the Electrical Utility Workers Union – the first independent national union led by a woman, Hashmiya Muhsin – organised demonstrations in Basra in protest against the misuse of \$13 billion allocated for rebuilding electricity supplies, which were still subject to frequent blackouts. The Ministry responded by ordering the union to be shut down and expelled from its offices.⁵⁵

Unfortunately for the oil workers and others hoping for a more democratic future for Iraq, the United Nations Security Council failed to stand up to the Americans. At the time of the US invasion, all revenues from the production of oil in Iraq were under the control of the UN. Under the sanctions regime imposed on the country following its invasion of Kuwait in 1990, modified by the oil-for-food programme of 1995, income from the sale of Iraq's oil was paid into a UN-controlled account, to be used only for the purchase of food and medicines. Introduced in response to pressure from international groups concerned about the impact of sanctions on ordinary Iraqis, the programme was reminiscent of the plan for the League of Nations advocated during the First World War by the labour movement in Britain, which wanted the exploitation of raw materials to be governed by the League to ensure that its proceeds were used for the benefit of ordinary people rather than the enrichment of investors and local rulers (see Chapter 3).

Two months after launching its attack on Iraq, the UN Security Council handed over control of Iraq's oil revenues to the US, giving away the opportunity to require America, from the start, to follow a democratic process in the

54 Greg Palast, 'OPEC on the March', *Harper's Magazine*, April 2005: 74–6; Greg Muttit, *Fuel on the Fire*: 70–6, 107–10.

55 David Bacon, 'Unionbusting, Iraqi-Style', *Nation*, 25 October 2010: 25–6.

control of oil. Democratic government, as we know, depends on the power to interrupt critical flows, whether of energy or of revenue. The difficulty for the citizens of oil states is how to build that power when the state's revenue comes not from the productive life of the general population, but almost entirely from a single source: the revenues from the export of oil. Washington won control of the oil revenues from the UN with only very limited conditions, and handed over a large proportion of them to the US contractors it hired, at the expense of Iraqi engineers and oil workers, to begin rebuilding the infrastructure of the oil industry.⁵⁶

The US awarded contracts for the reconstruction of Iraq, and even for contractors to run its increasingly privatised military occupation, to American firms, and attempted to do the same with oil. There was no strengthening of labour rights in the oil industry. Other opportunities to democratise the oil industry – for example by requiring that firms bidding for oil had democratic structures of ownership – were ignored. (Such procedures are common in the US, where public contracts are often structured to benefit or require bids from minority and women-owned businesses, for example.) The outcome of a long political struggle over the Iraqi oil law was that international oil firms were invited back in to develop new oilfields in the country, on what at first appeared very tough financial terms. But the terms were full of loopholes and exceptions – for example, if Iraq were to reduce its oil output to meet OPEC quotas, it had to compensate oil companies for lost oil production.⁵⁷

Meanwhile, the American occupation of Iraq, like the British occupation nine decades earlier, turned to the conservative forces of 'tribal' leaders and Islamist parties to help it keep control, and began looking for a method to withdraw the bulk of the army of occupation at minimum cost. The end result was another form of McJihad, a hybrid compound of American military power, international oil companies, and conservative and Islamic domestic politics. As the diplomat had remarked of the effort a decade earlier to engage with the Taliban, 'we can live with that'.

LIBERATION SQUARE

Among opponents of the American invasion of Iraq, many had argued that it would cause an explosion of popular anger in the streets of the Arab world, which would threaten to bring down US-supported governments in Egypt and other countries. For those thinking that this might be one of the more positive consequences of an attack on Iraq, the reaction in Cairo and other Arab capitals was not immediately encouraging. The popular response was delayed by almost

⁵⁶ Muttit, *Fuel on the Fire*.

⁵⁷ Ibid.

eight years. In January 2011, mass protests brought down the government of President Ben Ali in Tunisia, followed on 11 February by the fall of President Mubarak in Egypt and by revolutionary uprisings in Yemen, Bahrain, Libya, Syria and other parts of the Arab world. The wave of revolts had multiple causes. Rather than attribute them to events in Iraq, one could plausibly argue that the war delayed the fall of these autocratic governments.

On 15 February 2003, opponents of the impending US invasion of Iraq had organised anti-war marches in large cities around the world, including one in Cairo. More than 1 million people marched in London and Rome, hundreds of thousands in New York and Berlin, and thousands more in Tokyo, Seoul and Jakarta. In Cairo, the number of demonstrators was 600.⁵⁸ Gathering in the centre of Cairo, the protesters planned to form a human chain around the US embassy, which occupied a triangular block several acres in size just off the city's main square, Midan al-Tahrir. Government security forces overwhelmed and broke up the demonstration and arrested its leaders, who joined the thousands of political prisoners held, mostly without trial under emergency laws, in the country's prisons. Two weeks later another demonstration was organised. This was held in the Cairo International Stadium, located in an outlying section of the city several miles from the centre, well away from the US embassy. At least 120,000 protesters filled the stadium, and thousands more were turned away at the gates.⁵⁹ The rally was organised by the Muslim Brotherhood, with the consent of the regime, as a means of accommodating and containing popular opposition to the war in a manner that did not draw attention to the regime's relationship with the United States.

The two demonstrations illustrated the dynamics of oppositional politics in Egypt. The largely secular left opposition was allowed almost no room to organise, and its criticisms of neoliberal economic policy, US imperialism and the corruption of the state that accommodated these agendas was given no space. The Muslim Brotherhood also opposed the government, but with a far milder critique in defence of moral and cultural conservatism. Its moral conservatism often took the form of popular anti-Americanism, which operated as a means to circumscribe and weaken the left. It offered no real threat to the regime.⁶⁰

58 'People Power Takes to the World's Streets', *Observer*, 16 February 2003; Amira Howeidy, 'Where Did All the Anger Go?' *Al-Ahram Weekly*, 20–26 February 2003, at weekly.ahram.org.eg.

59 Gihan Shahine, 'A Harmonious Protest', *Al-Ahram Weekly*, 6–12 March 2003, at weekly.ahram.org.eg.

60 On 20 and 21 March 2003, as the US invasion of Iraq began, the left organised further demonstrations in the centre of Cairo. From 10,000 to 20,000 protestors gathered, some of whom attempted to break through a police cordon and march on the US and British embassies. Further government repression of political opponents followed these events. Paul Schemm, 'Egypt Struggles to Control Anti-War Protests', *Middle East Report Online*, 31 March 2003, at www.merip.org.

Eight years later, another protest in Tahrir Square led to the overthrow of the Mubarak regime. There had been increasing opposition even before the Iraq war, provoking a brief move towards political reform as the old guard in the main apparatus of civilian rule, the National Democratic Party, tried to adjust to its weakening grip on power and to a challenge from a younger, technocratic faction within the ruling elite. New opposition parties formed, but the main challenge came in the mobilisation of industrial workers, who launched a wave of strikes, beginning in the early 2000s and gathering pace after 2004, in protest against the government's privatising of public-sector enterprises. The neoliberal campaign to reverse the post-independence programmes of agrarian land reform, rent and price controls, and state-led industrialisation had been underway for more than two decades; but in 2004 Mubarak appointed a new administration that accelerated the pace of privatisation, and began to target the textile industry and other large employers that had been passed over in earlier rounds. The fight against declining real wages – and against the threat of wider unemployment, still lower wages, and the loss of labour rights that came with privatisation – led to more than 1,900 strikes and other protests involving over 1.7 million workers between 2004 and 2008, representing the most sustained social protest movement since the postwar unrest that led to the overthrow of the monarchy in 1952. These included strikes in December 2006 and September 2007 at one of the country's largest industrial enterprises, the Misr Spinning and Weaving Company at Mahalla al-Kubra in the Egyptian Delta, and another two years later at the newly privatised Tanta Linen Company.⁶¹

In the past, the government had been able to diffuse social unrest, offering price subsidies, small pay bonuses and other modest concessions in cases of economic protest, backed up by the continuous repression of any effective political organising. By the late 2000s, this policy was becoming more difficult to implement. On the one hand, with the programme of economic restructuring now targeting large industry, the regime was more vulnerable to industrial action. On the other, a main source of revenues used for concessions to weaken economic protest had disappeared. In 2010, for the first time since recovering its Red Sea oilfields from Israel in 1975, Egypt became a net importer of oil. In the mid-1990s Egypt had been able to export almost half of its production of more than 900,000 barrels per day, providing the country's main source of export earnings and of government revenue. But production from its oilfields began to decline after 1996, while domestic consumption, encouraged by a boom in private car ownership among the better off, began a rapid growth.⁶²

61 Joel Beinin, *Justice for All: The Struggle for Worker Rights in Egypt*, Washington, DC: Solidarity Center, 2010; and 'Egyptian Workers Rise Up', *Nation*, 7–14 March 2011, at www.nation.com.

62 Figures from www.eia.gov and the Energy Export Data Browser at mazamascience.com.

Accounts of the protests that brought down the Mubarak government stressed the role of new internet-based social media, which helped organisers and supporters plan the protests. The critical event in toppling the regime, however, was the initial seizure of Tahrir Square on 25 January – a development in which the social media functioned partly as a decoy. Knowing that the security forces would use violence to break up any attempt to occupy the square, the organisers used social media to plan protests at twenty sites in working-class districts of the city, hoping to strain the security forces by dispersing them to multiple locations, while drawing large crowds that would increase the chance of breaking through security cordons and linking up at Tahrir Square. They planned one additional gathering, in Bulaq al-Daqrur, a working-class neighbourhood close to the centre of the city, with an industrial workforce employed in a nearby cigarette factory and in railway yards. They avoided announcing this gathering over the internet, allowing a crowd of several hundred to gather without the presence of security forces. This was the group that marched to Tahrir, swelling to several thousand along the way, and seized the square, by which time the protest was too large for the armed police force to crush.⁶³

The Muslim Brotherhood refused to support the initial protest, and stayed out for the first week.⁶⁴ At the same time the Brotherhood began negotiating with the regime, where power was removed from the hands of Mubarak and his family and taken over by his minister of defence. A hastily organised constitutional reform committee proposed minor changes to the constitution, in ways that would benefit the ruling party and the Muslim Brotherhood. The struggle continued.

It is often said that the politics of the Middle East have been shaped by the power of the international oil industry. It would be better to say that they have been shaped by its weakness. Extraordinary rents could be earned from controlling the production and distribution of oil. The multinational oil corporations sought to secure and enlarge these rents, in a rivalrous collaboration with the governments that controlled the oilfields. Large rents could also be made from controlling the production and distribution of weapons, for which the same governments had become the largest overseas customers. The oil and arms industries appear as two of the most powerful forces shaping what is called the capitalist world economy. Yet their power existed to overcome a weakness, a deficiency that always threatened the enormous potential for profit.

63 Charles Levinson and Margaret Coker, 'The Secret Rally that Sparked an Uprising,' *Wall Street Journal*, 11 February 2011, at online.wsj.com.

64 Documents retrieved from the offices of the Egyptian state security following the fall of the Mubarak regime offered evidence of the ties between the security forces and right-wing Salafist groups. See, for example, 'Wathiqa Musriba min Amn al-Dawla,' *Al-Masry al-Yawm*, 7 March 2011, available at www.almasryalyoum.com/node/342155.

On the one hand, throughout the twentieth century there was the overabundance of oil, creating the permanent risk that the high rents earned by the oil industry might collapse. The industry had to constantly manufacture a scarcity of oil, to keep this threat at bay. On the other hand, political structures came into being to help achieve this end. Since the oil industry was never strong enough to create a political order on its own, it was obliged to collaborate with other political forces, social energies, forms of violence and powers of attachment. Across the Middle East, there were various forces available. But each of these allies had its own purposes, which were never guaranteed to coincide with the need to secure the scarcity of oil. At the heart of the problem of securing scarcity, for reasons we have seen, was the political control of Arabia. The geophysics of the earth's oil reserves determined that the rents on the world's most profitable commodity could be earned only by engaging the energies of a powerful religious movement.

'McJihad' is a term that describes this deficiency of capitalism. The word refers not to a contradiction between the logic of capitalism and the other forces and ideas it encounters, but rather to the absence of such a logic. The political violence that the United States, not alone but more than any other actor, has promoted, funded and prolonged across so many parts of the Middle East over recent decades is the persistent symptom of this absence.