Introduction

JOANNE MYERS: Good morning. I’m Joanne Myers. On behalf of the Carnegie Council, I’d like to welcome our members and guests, and to thank you for joining us.

This morning it is with great pleasure that we welcome back to the Carnegie Council one of the more astute individuals writing about Islam today. As someone who is concerned with what is happening to Muslim society, Gilles Kepel’s suggestions for the future of Islam and the West are compelling, as the title of his book suggests, Beyond Terror and Martyrdom: The Future of the Middle East.

Think back for a moment and recall, if you will, the mood in our country immediately after 9/11. There was anger; there was grief. So when President Bush struck back, no one was surprised. Yet what followed was something not quite anticipated. Due to the unwavering resolve on parts of the neoconservatives' policy-making establishment, President Bush was influenced to exploit the moment in order to advance a much broader agenda in the Middle East. But as the years have demonstrated, Washington's desire to bring an overall change to this region, thinly disguised as fighting a "War on Terror," has met with failure.

Similarly, on the other side of the world, where the terror plot originated, Osama bin Laden and his group of jihadis were struggling for the hearts and minds of more than a billion peaceful Muslims to rid the world of infidels. However, in perpetuating a myth of martyrdom, bin Laden and his followers alienated many Muslims who found themselves in a fragmented Islamic world that was, in fact, waging war against itself.

In Beyond Terror and Martyrdom, the noted Middle East scholar and commentator Gilles Kepel demonstrates how both narratives—that of President Bush's "War on Terror" and al-Qaeda's call for martyrs to rise up against the apostate in order to hasten the dawn of a universal Islamic state—have proven impossible to achieve. Instead, he urges us to escape the ideological quagmire of terrorism and martyrdom and choose a new way, one that has the potential to deliver peace and prosperity between Islam and the West, and for which Europe, with its expanding and restless Muslim populations, may be the proving ground.

His suggestion is for an economic renaissance centered on the Mediterranean. Professor Kepel would like to see Europe's industrial and technological wealth, its academic and scientific expertise, brought together with the Gulf's petroleum assets, its financial clout, along with human resources and rich cultures of the Muslim world, to transcend terror and martyrdom, and ensure the decisive marginalization
Gilles Kepel is one of the most cited experts on Islam and Middle Eastern affairs in the United States and Europe. As professor and chair of Middle East studies at the Institute of Political Studies in Paris, he gives both students and readers of his works the tools they need to reach their own independent understanding of the issues.

He holds degrees in Arabic, English, and philosophy, and doctorates in sociology and political science.

His thorough scholarship in the field of Islamic studies, which began in the early 1970s, is impressive, as evidenced by his influential books on Islam and the Middle East, including the critically acclaimed and definitive work on militant Islam entitled Jihad: The Trail of Political Islam and The War for Muslim Minds. Both were discussed earlier at the Carnegie Council, and their transcripts can be found on our Website if you visit www.carnegiecouncil.org.

With a new administration soon to be in power in Washington and a seeming impasse between two competing narratives, there's no better time than the present to seek alternative terms for a new dialogue between the East and West. By offering a workable solution, our speaker hopes that this will lead to a more constructive engagement.

Please join me in giving a very warm welcome to our guest today, Gilles Kepel.

We're delighted you're here.

Remarks

GILLES KEPEL: Thank you very much, Joanne. You already did the job, so I don't have much to say. Thank you so much for this lavish introduction.

It's a great pleasure for me to be back here at Carnegie. It has become a habit. I may even believe that I just write a book only to have a pretext to come to your lovely breakfasts. Usually the weather is better, but this time we did not plan it well.

But I'm not sure that I'm going to write another book. You will have to convince me that next time—but thank you so much for this great introduction.

I will not sum up the book, because you did it very eloquently. I would like to briefly give you a few hints at what I've written and then try to follow up on what you ended with—i.e., what the challenges are now for the Obama administration, for the new administration, in the Middle East, and how it has to deal with the legacy of the Bush administration on the one hand and what the openings are that it may seize, if I may say so, in a world which has changed, in a Middle East which has changed, and how we could envision the future.

As you very kindly said, the book is based on what I dare call the deconstruction—because, being French, I have to deconstruct everything—the deconstruction of the two grand narratives of the "War on Terror," or the GWOT, as I think you say it in this country, on the one hand, and the grand narrative of jihad through martyrdom on the other. One was worded by the Bush administration, its neoconservative advisers, and so on and so forth; the other one was worded and was molded by people like Ayman al-Zawahiri and Osama bin Laden. Both of them intended to mobilize their constituencies.

As far as the grand narrative of the "War on Terror" was concerned, the issue was to mobilize American and Western public opinion beyond this big project to reshuffle the Middle East that the Bush Administration had, and was not only concerned with the tracking down of the al-Qaeda people in Afghanistan, but which used this, not as a pretext—it was a real threat—but as an opportunity to push a far wider agenda, including the toppling of the Saddam Hussein regime, which in turn was a means to:
On the one hand, make a sort of "New Deal" for the Middle East, a secure Israel, because a Shia-Kurdish coalition in Baghdad would not have any significant contention with the Jewish state.

Two, Iraqi oil would be back on the market, would ease the tensions of the market, and would deprive the Saudis, who were considered traitors because they had nurtured in their bosom 15 of the 19 hijackers of 9/11, of their swing producing capacity, if you wish, and weaken significantly the House of Saud, if not terminate its power.

Three, would promote democracy in the Middle East.

A number of people were dubious about the means that were being used at the time, but this democracy promotion rang an interesting bell. Many people from the left and the right thought that this was something to do and that the reason why there was terrorism in the Middle East was that there was no pluralism and that any opposition that wanted to express itself had to resort to violence.

But this was, in a way, a tale that was too rosy, to some extent. The issue of democracy promotion, even though it was probably sincerely believed by those who promoted it, was in no way something that was achieved. On the contrary, the quagmire in Iraq proved to be the cemetery of the illusions of this grand narrative of the "War on Terror."

Another major issue was that—and we'll see why that was used when we deal with the grand narrative and jihad through martyrdom—in order to show that there was some kind of victory that was gained against this elusive enemy that was al-Qaeda, which just could not be destroyed by the conventional anti-Soviet weaponry, if you wish, that the Western armies had in their armories, you had to give something to the public. This, in a way, was one of the functions of Guantanamo.

Guantanamo was a place where you had hundreds of people clad in orange jumpsuits for people to see. It was not only the jihadists that invaded the media images. It was not only the sort of horrendous views of buses being blown up and body parts being destroyed and blood everywhere. But you also could show images that repression worked and that the bad guys were under custody.

Now, the problem was, as many know, not only that it was not sure that all the guys in Guantanamo were the real bad, bad, bad guys, as they say, because many of them had been rounded up customarily and sold by tribal lords in Pakistan or Afghanistan. But the major problem—and this is something, of course, that Americans have discussed at length—was that the whole Guantanamo thing looked like it betrayed the very American ideals of justice and rule of law. Probably this will be the major flaw undermining this whole grand narrative of the "War on Terror:" How can you promote democracy and at the same time have Guantanamo? This will be the major contradiction.

I guess that this is a process of criticism that is already very significantly under way in America. My own feeling as an outside observer is that this went so far that this is also something that allowed for someone who came from outside the establishment, such as Barack Obama, to be elected. This was part and parcel of his election. But this is not the topic for today's lecture.

Facing this grand narrative of the "War on Terror," you have the grand narrative on jihad and martyrdom. That is aimed to mobilize the Muslim masses under the banner of al-Qaeda.

In the 1990s, a number of radical Islamist movements had mobilized in Egypt, in Algeria, in Kashmir, Chechnya, Bosnia, what have you, in order to sort of duplicate the Jihad Afghan in the 1980s, because they thought that the masses would revolt and they would topple the puppet regimes—the apostate, as they say, regimes—that were backed by the West, whether it be Algeria, Egypt, and so on and so forth.

That was not what happened. All those movements failed to mobilize. By the end of the 1990s—and this
is when I published this book *Jihad*, where I tried to analyze those failures. Of course, as of September 12, 2001, a number of people asked for my immediate resignation from my university job, saying, "How was this guy telling us that they have failed and they were able to do a thing of such magnitude as 9/11?"

Fortunately, I had tenure, so I was compelled to bring in the academic liberties.

But no one knows that Ayman al-Zawahiri came to my rescue, fortunately, because he published, by the end of 2001, a small e-book on the Web called *Knights under the Prophet’s Banner*, where he explained why they had done 9/11. They had failed in mobilizing the masses at home, so they wanted to strike what they called a far-away enemy, show that the U.S. was a giant with clay feet, and that this way the masses would not be afraid and they would know that the puppet regimes were backed by toothless giants, and then you could engineer the mobilization that had not been engineered in the 1990s.

That went through the use of the symbol of martyrdom. That is to say, as an alternative to mass mobilization or to guerilla warfare, as was the case in the 1990s, which proved unfeasible, what was done was something that had to use individual acts of martyrdom, but those were functional if and only if they were mediated by the media. As I at times say—and this is a topic for exams for my students, don’t tell them, please—"Please comment on the following sentence: No al-Qaeda without *Al Jazeera*.”

*Al Jazeera* started to broadcast in 1996. 1996 was also the year when Osama bin Laden made his first declaration of war against the Americans who occupied the lands of the two sanctities, or the two holy places. It was also the year when *Hamas* started its first significant suicide bombings in Israel. I say significant, because they had started in 1993, but it was not a success. They were preceded on this issue of suicide attacks by the Iranians in their war against Iraq in the early 1980s and also by what happened in Shia, *Hezbollah* in Lebanon, which also used suicide bombings against American, French, and Israeli soldiers there.

But within the tradition of Shi’ism, this is something that is not so difficult to legitimize. *Husayn*, sort of the eponym of Shi’ism, was a martyr. In a way, he suffered and he let himself be put to death deliberately in Kabala by the evil *Sunnis*, as they see it, because he brought a sort of destiny of truth, if you wish. Therefore, if you use Shia religious parlance, it is sort of easier to constitute martyrdom as such. They don't call them suicide bombings. It's not suicide. It's borderline suicide. It's easier to clothe. Within the Sunni political parties, it's much more difficult.

In 1996, there were raging debates between scholars of Sunni Islam as to what you can do and whether it is legitimate or not. If you blow yourself up amongst Israeli civilians, is it *halal* or is it *haraam*? Is it kosher, if I may say so, or not kosher?

Scholars who were favorable to *PLO* said it was not okay, because those people were civilians and Islam forbids the murder of civilians. Others, like *Sheikh Qaradawi* and Jazeera, and so on, would say, "No. They are not civilians—combatants or noncombatants. Anyone in Israel is a soldier, including women. They are just soldiers in plain clothes. So everyone is a legitimate target. If children are killed, well, this is collateral damage. This is not what we had in mind."

Then the *Second Intifada*, to cut a long story short—the Second Intifada's signature was suicide bombing, when Hamas and *Jihad Islamic* had pulled the carpet under *Arafat*’s feet and controlled the agenda. This proved extremely popular in the Muslim world, in the Arab world. There were telethons organized to raise funds for the families of the martyrs. What was taking place there was that Osama bin Laden—and you have to remember that 9/11 took place approximately one year after September 28, 2000, the beginning of the Second Intifada—Osama bin Laden, in a way, tried to hijack this martyrdom operation which was so popular, hijack it from the defense of the Palestinian cause to the defense of al-Qaeda’s vested interests. In a way, 9/11 was the same thing as the bombing of the Sbarro pizzeria or the *bus Egged No. X* from Haifa to Tel Aviv, if you wish. The magnitude was different, but the language was the same.
So the hope to mobilize through the use of martyrs as a symbol, as a surrogate for a mobilization or a guerilla that could not function anymore—for a year, they went on with copycat bombings, from Jakarta to Tunis and other places. Then suddenly Iraq looked to them as if it was their golden opportunity. It was like Afghanistan. It was a part of the abode of Islam that had been invaded by impious armies. Therefore, it was a means to call for jihad worldwide and to mobilize the masses.

The problem was that in Iraq society was heavily divided, for reasons that I can discuss in the Q&A session if you want, between Sunnis, Shias, and Kurds. The foreign jihadists who came to Iraq were harbored and hosted and promoted and helped and pushed forward by the Sunnis. The Sunnis had their own agenda, which was not necessarily global jihad. It was to fight American soldiers, but also to fight and to kill as many Shias as possible, so that Shias would not be in a position to control the country, backed by the United States.

In Iraq, instead of having jihad, you had fitna. That is to say, even though they killed a number of foreign soldiers, the mass of the people who were killed, the mass of the victims, were other Muslims, were Shia Muslims. For your average Muslim someplace in Indonesia or Africa who is not that sophisticated in terms of who is a Sunni and who is a Shia, you had someone called Muhammad killed by someone called Muhammad. This was the worst of things. This was the spilling of Muslim blood. That led to a catastrophe within the al-Qaeda vision. It led to what we now have, bitter internecine fighting between al-Qaeda leaders and their former brothers in arms or brothers in religion, who criticize them and say the movement has failed because they spilled Muslim blood and so on and so forth.

Another interesting issue is that what has happened in Iraq is that while the United States and the al-Qaeda radicals were fighting, their common nemesis—i.e., the Islamic Republic of Iran—took profit from the opportunity and became kingmaker.

Just to mention one fact, in April of this year, President Ahmadinejad of Iran visited the Green Zone in Baghdad, protected by 160,000 American servicemen and shook the hand and embraced the Kurd Jalal Talibani, president of the Republic of Iraq. Poor Saddam Hussein must have shaken in his tomb—he who thought that Iraq was the symbol of Arab nationalism and who now saw a Kurd and an Iranian being pleasantly hosted by the United States in what was the former Abbasid and Baathist capital.

Now, can we say nowadays, if we consider that the grand narrative of the neocons on the one hand and that of al-Qaeda on the other hand have both failed to reach their objectives, that we are now facing one big power, one kingmaker, in the Middle East, which is Iran—Iran, which has a strong position in Iraq, which also is strong in the Levant crisis, because Iran's agent, Hezbollah, was able to engineer a war in the summer of 2006 against Israel, which proved not to be a defeat for them, not to be a victory for Israel, which was quite significant? Hezbollah became sort of the standard bearer of Arab resistance to Zionism, quote/unquote. Also Iran is engaged in this sort of nuclear blackmail with the rest of the world, the West in particular.

Is this what you have to deal with? How to address this challenge?

From a number of trips I have made to Iran and a number of people I know there, it seemed to me that in Iran no one thought that there would ever be a strike in the ruling elite, but that they were sort of upping the ante; they were accumulating as many cards as possible in their hand, for the day when the negotiations with the West would begin, negotiations that would, from their point of view, give security to the Islamic regime and so on and so forth. They could blackmail the West and the Americans into saying, "If you want to pull out from Iraq, you have to have our blessing. Otherwise, it's going to be a catastrophe. We have major cards in the Israeli future, not to mention the nuclear thing."

Now, this is a game that they are playing, which may turn against them. Iran is under tremendous domestic pressures. They have very strong inflation. Ahmadinejad, who had promised to bring oil money onto the table of the Iranians, has brought nothing at all. There is very strong resentment against him in Iran today, particularly with oil prices, which are low. So the Iranians are not in that great a position for
this negotiation.

You had neocons in Tehran because you had neocons in Washington. Now that you have a president whose name is Hussein Obama—in Farsi, "obama" means "he is with us." So Hussein is with us. This is the name of the American president. By Shia standards, he has definitely many more credentials in terms of messianism than poor Ahmadinejad, who is just a nobody in the Revolutionary Guard. So this is something that you should think about. That's one thing.

If an astute deal can be made to Iran, then it could bring back the elections in June. I believe, if things are done well, Ahmadinejad will be defeated. Then afterwards, in the course of the negotiations, if there is a feeling amongst part of the Iranian elite that they are better off in negotiating and in getting rid of a number of the principals of the regime, if they want to be reintegrated into the security system—and therefore have access to machinery for drilling, which they don't, and also have access, finally, to nuclear energy, which is the big end issue that we have to face—we cannot consider forever that Third World countries have no access to nuclear energy. This is what the multipolar world is about. This is one of the many difficulties that the president-elect will be facing. Then the oil issue in the Hormuz Straits will always remain extremely complicated.

What can we do? What are the options for the future? Is the democratization agenda dead? Is the democratization baby being thrown out with the bath water of the neoconservative narrative?

I believe that there is another way toward the democratization and pluralization of the area, which is the one that we have been slowly implementing out of Europe. We have millions of people of Muslim descent in Europe. There is big debate now in Europe, and there are contrasting policies of how to integrate people of Muslim descent. Over the last decade, the prevalent model was the one that you would find in Britain, in the Netherlands, for instance, which was a multiculturalist model, which considered that differences were more important than what people had in common, that in order to be a happy person in Britain or in Holland if you were from Pakistani origin, you had to have the veil and be as much into your identity as possible, and you didn't really have to think that "Britishness" or "Dutchness" was something you would achieve.

This position was opposed to the one which was implemented in France, where people would say that what we had in common was more important than the differences. The differences definitely exist in society, but they don't have to play such a role at that level—differences at the political level—and that you had to deal with living together and to develop politics of integration.

All this debate has been seriously reshuffled or revamped after the stabbing of Theo van Gogh in the Netherlands and the 7/7 and 21/7 bombings in 2005 in London, where suddenly both the Dutch and the Brits discovered that politics of nonintegration, of juxtaposition of closed communities controlled by imams who were tipping off the police, if you wish, did not work anymore.

This was probably a major blunder in the Blair administration, when he thought that he could go to Iraq because his Muslims at home were quiet, because the system worked. The problem was that when he went to Iraq, a number of senior people in Pakistan told their men in Britain, "Don't tip off the cops anymore." Suddenly British intelligence and police became blind in front of groups to which they had no direct access, because they had to rely on go-betweens and intermediaries, who would not talk with them anymore. It was in this sort of blindness that the 7/7 plotters could prepare and act, because they were protected by their environment—something which we did not have in France, because even though we had terrorism threats and implementation in the 1980s, due to Lebanon, and the 1990s, when the Algeria civil war spilled over into France, that led to two things.

One was that the French police system was able to adjust itself to this kind of danger. Once, you were promoted when you knew Russian in French intelligence; now it's Arabic. A number of my former students in the 1990s suddenly disappeared after they graduated. I understood only afterward what kinds of jobs they had taken. That's one thing.
The other—which is to say it's not like what happened in Britain, that you had to rely on intermediaries. On the other hand, I believe that within the French system, people from immigrant descent are, to some extent, so imbued with their being part and parcel of French society that they considered that their interests would be jeopardized by the radicals, and they did not offer that kind of shelter to the radicals that we saw offered in Britain in 2005.

This does not mean that everything is perfect on our side of the channel, of course. The riots of 2005 were a case in point. But those riots were not, as Fox News described them, Muslim riots—"Paris is burning. Thousands of al-Qaeda activists want to create a Paris on the Seine. And, ha-ha-ha, Chirac and his "cheese-eating surrender monkeys," "axis of weasel" guys, did not want to follow President Bush in Iraq. So this is what they got, and it serves them well."

It was not that at all. This was just a neocon fantasy. It was something that had to do with a desire for better upward social mobility and integration in French society. Those young people were not asking for an "Islamistan" in the banlieu.

Unfortunately, in the old days French was a language that would give to the international parlance words like champagne or parfum. Now it's banlieu, which I don't have to translate, even in the Upper East Side.

So what I believe is that we now have something quite different. The gentleman sitting to my right, who wrote a book on democratization, asked me, "What's the future for democratization?" I believe that, in a way, the airwaves and the Internet and everything like that—it's a two-way street. It can bare the ideas of jihad, of whatever, but it carries on the models of what is happening in Western societies. Even though this is criticized by the radicals, the model of pluralism and democracy and upward social mobility in the West still remains the main issue for fascination amongst the young generation, irrelevant of the financial crisis, and so on and so forth.

I think I'm close to the end of my speech. Just a last-minute conclusion. Joanne already mentioned it.

I believe that, to go back to the challenges of the Obama administration, the Obama administration is facing a world which, it has understood, is multipolar. It was multipolar already. After the demise of the Soviet Empire, some thought that there was "us and the rest"—that is, the U.S. and the rest—and it was the end of history, so on and so forth. This is not the case. I believe, on the contrary, what was in the making after the breaking down of the Soviet Union—you have a number of new poles that have emerged. You have to deal with this multipolar world, in which America is necessary, but it is not sufficient.

This is a case in point in such a region as the Gulf, for instance, where the use of military power and the invasion of Iraq proved to be extremely dangerous. Military power is okay as long as it's a threat, but when you implement it and it doesn't work, you lose a lot of credibility. Ten years ago, American deterrence was the key security issue for Gulf states, for instance. Nowadays, after Iraq, it is not anymore.

Therefore, they are still around. They are still married with Americans. But as they are polygamous, they are flirtatious with other countries.

This is where, I believe, we as Europeans have a major role to play. We are part of a 27-strong European Union, which is an unheard-of level of wealth, as Joanne said, economic strength, academic and cultural depth. Also it is a new space for security and rule of law, which is something which never existed in this area. It has a major force of attraction, with its 450 million-strong population, on what is for us our vicinity and part and parcel of our domestic policy. For the United States, the Middle East is part of foreign policy, except maybe for Israel. But for Europeans, because of immigration, because of travel, because of images, because of history, in a way Arabic and Muslim culture has now become part of us and we have become part of them.
But the main issue is not only this issue of democratization; it's the issue of wealth and growth in the southern and eastern shores of the Mediterranean, where, because of bad government, because of the Arab-Israeli conflict, and so on and so forth, things have been blocked and we have a very dangerous situation, with cohorts of young people without jobs who are then easy prey for radicalism, undocumented immigration, so on and so forth, and which is like a time bomb.

This is why I think that the thing we have to do is to have closer cooperation between what Europe has in its basket and what the Gulf has in its basket—the Gulf, where tremendous change has taken place since 9/11, because many of the Gulf monarchies have understood that if they don't change, they are going to disappear. The Gulf has become one of the new centers of the world. It is now the center of the Arab world, there's no doubt. It's not Cairo anymore. It's one of the big centers of the world.

Think of Dubai—even though Dubai may be totally bankrupt by the end of my speech—of Abu Dhabi. Many things are happening there. Even though they are losing money now—well, they are not losing money, but they are making less money because the barrel is lower—nevertheless, they are still extremely rich. Sovereign funds are now playing a major role in world finance. We have to tap on that.

But I think they are sick and tired of being perceived as a gas station-cum-ATM. They want to be part of politics. Politics to them is largely about their security. Their security cannot be provided only by the United States, but it also has to be provided by the European environment. This is why the French are opening a military base in Abu Dhabi in May. The military base goes with nuclear plants, which is something we can discuss: To what extent can development of nuclear energy in the region be externalized in terms of security, or can it be internalized?

I believe that this is the only way for us to develop what's in the middle—that is to say, an Arab Mediterranean dimension and ensemble. I guess that this is one of the issues that President Obama is going to address. For many people in Europe—as you know, he's more popular, maybe, in Europe than he is in the United States—for Europeans, the issue is to extend a hand to the United States, with a renewed relationship, which gets rid of this "surrender monkey" and "axis of weasel" and "Old Europe," blah, blah, which takes into account the plurality of today's world, in which I’m sure America has a great role to play.

Thank you.

Questions and Answers

**QUESTION:** Thank you for a wonderful set of remarks. I want to press you a bit on the last part of your talk. I was amazed this morning to turn on my TV and be told that the price of oil now is at a three-year low. I'm not an economist, but if one assumes that that's because the speculative bubble on energy popped, number one, and the so-called 5-percent drop in demand has brought it down that much, and if one then goes the next step and says that we are in pretty much a worldwide depression, which normally lasts 18 months to two years, and there are an awful lot of deflationary trends, one would have to say there is even the possibility that the price of oil may continue to drop.

With that in mind, and a very introspective look by the Europeans, are you as confident now, perhaps, as when you wrote the book that the Europeans can come together to try to do a very energetic economic outreach to, particularly, the Levant, or are they going to spend more time looking internally because of their own economic problems?

That's number one.

Number two, you mentioned, I think, that Dubai was the gas station and the ATM—

**GILLES KEPEL:** No, no, not Dubai. Dubai has no oil anymore.
QUESTIONER: In any event, you mentioned early on about the stability of the House of Saud. If we see for the next 18 months to two years deflationary trends and the price of oil either staying where it is or going down, which is possible because you may see more Iraqi oil come online as the security situation improves, what is the impact on that in terms of stability in the Gulf? Do you really think, based on the economy, the Europeans can do what you forecast?

GILLES KEPEL: Thank you for a very difficult question. I'll try to give some elements of an answer.

Let me start with your last question about the stability of the Gulf, the House of Saud, and lower oil prices. The budgets for the next years in the Gulf countries were made with an estimate of $30 a barrel. So for the time being, they are not yet there. What they had gained was all surplus. If I'm not mistaken, the cost of extraction in the shallow waters of the Gulf is something like $2 per barrel. So there is still a big margin and a lot of money which is being made.

I was in the Gulf in June when the barrel reached a peak at close to $150. That led to very serious consequences in both Dubai and Saudi Arabia, because inflation was skyrocketed. Expats who were paid in currency that was pegged to the dollar would start to leave. Indians would leave. Qualified Indians would go to Bangalore, because the rupee was higher and they would live much better lives. Europeans just couldn't make it, because the euro and even the pound were so high as opposed to that. Conditions of living became worse and worse. They gathered at this Jeddah conference in order to try to do something. But it was actually a recession, which, of course, led to the cycle of the price going down. But after a recession, then there is an economic reprisal and then the prices start to go up.

The oil prices—it's not my forte, but I have to tackle this issue a little if I'm a Middle East specialist—are linked to different cycles, which are political conditions, economic conditions, inflationary or depression, inflation in the West, and so on. Whatever the price as of November 25, 2008, as long as oil remains the main commodity, it will be susceptible to rising fast.

That's one issue.

The second issue is how Europeans could get together, and how they have to put their house in order, because they also have an economic crisis, and the like. We do have an economic crisis also. For the time being, we feel it less severely than America. For instance, I haven't lost anything on my pension funds, because this is something which is controlled by the state. Those few days I spent in America, people told me their pensions had evaporated, which is something we did not feel.

Nevertheless, growth is very slow, and we have no youth, which is a much more important problem, except in some countries like France. The French spend half of their time eating and the other half in bed. After some time, it has consequences.

This, of course, is a major issue.

But the EUROGULF Synergy is perceived as a priority by CEOs of big corporations. They all received the conclusion of the book very well, because they consider that this is where you have to look for investors and for cash, because Europe is cash-stripped and so is the United States. Even though the barrel is going down, sovereign wealth funds are still a major source of wealth and investment.

QUESTION: Thank you. With the title of Terror and Martyrdom, could you discuss Afghanistan and Pakistan—what the options are, how it might impact terror, what ways could we intelligently make a difference?

GILLES KEPEL: After the failure of jihad in Iraq, al-Qaeda people definitely want to pull U.S. and Western forces into Afghanistan in order to inflict on them a defeat which would be tantamount to the
one that the Soviet army, the Red Army, suffered there. If you look back at Zawahiri's last statement, where he calls President-elect Obama "a house negro," then the issue is, "Come to Afghanistan, because Afghan dogs think that American soldiers' flesh is delicious and they want more of it," and things like that.

But this is something that has to be put into context. As I said earlier on, this grand narrative of the jihadists is now under duress. The reason why Zawahiri was so adamant against President-elect Obama was, I believe, that he feels that the image of President Obama, his charisma, is something that can do a lot for the betterment of the American image in this part of the world—which, anyway, cannot go down more, I think.

The funny thing is that in English, the translation was "house negro" that led to this sort of Malcolm X famous differentiation between the house negro and the field negro, one being Uncle Tom and the other one being the forerunner of the Black Muslims and Nation of Islam and what have you.

But in Arabic, the word he used, even though there was this whole Malcolm X thing, which was not understandable for your average Muslim audience outside the United States—the word he used, which was very strong, was abid. Abid in Arabic means "slave"—hence, black. It's a very derogatory way of talking about blacks, just as if you called them "niggers" in American parlance.

Zawahiri himself is the scion of a very aristocratic white Egyptian family. The abid was the black guy waiting at the table from Nubia, if you wish. I am not sure that his statement made him that popular south of Nouakchott or south of Khartoum. That's one thing.

The other thing is that there was a clear interest in Afghanistan and Pakistan in this statement: "Come here and we'll defeat you." The problem with Afghanistan now, I guess, is that it's not only the United States which is there, but the international community as well. NATO has not really been able to define a military policy. One thing which might be of interest is that even though Iraq did not prove to be a political success, as is self-evident, nevertheless, at the end of the day, the policies of occupation proved to be not as much of a failure as they were in the past, thanks largely to General Petraeus's policy of co-opting the Sunnis into the system and the Sawa brigades.

So, as the saying goes, you cannot buy an Afghan, but you can rent one. Dealing with a number of tribes who have been "Talibanized" because they have no other means to legitimize their resources, is probably an important issue.

But the main issue is Afghanistan today is poppy and opium, which has reached incredible proportions. You have to find a way to eradicate the poppy culture while allowing the peasants and the farmers to make a living. If you tell them to have onions and carrots, it doesn't really give them the same return on investment. That's one thing.

Pakistan, in my view, is the problem. This is a country which is not sure of its identity, which was created as a Muslim country, where they have put together people who don't speak the same language, from the Pashtun in the northwest to the Punjabis in the east. I was in India some time ago, and an Indian official said jokingly, "I don't know why they created Pakistan, because we have more Muslims in India than they have in Pakistan." Once, it was common wisdom in France to say that the French loved the Germans so much that they want two Germans. I don't know to what extent this could be paralleled.

But the problem is now that in terms of Pakistan—I guess that it is impossible that Zawahiri and the likes of Zawahiri function in Waziristan with a TV studio which is well-equipped, without some help, not only from the villagers and people who survive on goat's milk, but they have to have some help from elements of the Pakistani intelligence community, which considers that the big issue for Pakistan is the Indian frontier. It's not the Taliban. The Taliban are a way to undermine Afghanistan.

So there is this feeling in Pakistan that they are caught between a rock and a hard place, the rock being
India and the hard place being Afghanistan, and that after all, "Talibanization" is not the threat for Pakistan. It is indeed, because it is something that has destroyed the civil society fabric of Pakistan.

But this is one of the big challenges. From what I understood from people who are in the transition group—and who are not supposed to talk to foreigners—clearly, this is going to be a big thing on the new president's agenda.

**QUESTION:** Not to appear the devil's apostate for the moment, but I wonder—

**GILLES KEPEL:** Devil's apostate or advocate?

**QUESTIONER:** Apostate. I wonder if this narrative of the two grand narratives might not itself be a narrative—in other words, the clash of fundamentalisms.

**GILLES KEPEL:** You are a deconstructionist, deconstructing the construction.

**QUESTIONER:** Exactly. I'm wondering if, in other words, the clash of fundamentalisms is, in fact, the story that is being sold, and that instability is perhaps the goal of—when we read stories about the Pakistani ISI training these fundamentalists, we have to imagine that the CIA, which works closely with the ISI, is aware of these activities. That was in the Times a few months ago. When we read stories in the BBC about members of the SAS dressing up in Arab garb and driving around with car bombs in their trunks right before large Muslim festivals, one begins to sort of question what exactly the civics lesson here is, what we are being taught.

I'm just wondering, how would it change your analysis if it seemed that elements within the ISI, and indeed within the U.S. intelligence services, were interested in instability rather than in pacification and democracy?

**GILLES KEPEL:** This is something I just alluded to when we mentioned Pakistan. There is a view of the situation, which is quite widespread within local societies—Arab intellectuals and the like—that all this is a fabrication by the United States and the West, and that Osama bin Laden himself is a product of the CIA.

**QUESTIONER:** [Not at microphone]

**GILLES KEPEL:** Of course. During the 1980s, as Prince Turki al-Faisal, who was his handler at the time, said, "You know, at the time he was a good guy." This was on a TV interview. He was not a bad guy. He was working against the Soviet Union.

But then, as the story of Dr. Frankenstein says, at times the creature escapes the creator.

There is one major question: If Zawahiri is really someplace in Waziristan, how come it has been impossible to catch him? There is a big question mark. This is why I mentioned that, in my view, he cannot function in Pakistan without some help from elements of the ISI. After all, having Zawahiri around is a means to have tremendous military aid and help from the United States. There are some elements, probably, who are playing that game.

Is this the main narrative, to use your own terms? I am not convinced. I think that the al-Qaeda thing really exists. But that does not preclude manipulation from intelligence. I guess that within the present crisis amongst the jihadi leaders, a number of poisonous seeds have been planted by intelligence. For instance, the attacks against Zawahiri came out of his former mentors who were in prison in Egypt, and even though this guy still has strong credibility, nevertheless being in prison in Egypt surely helped mollify him. You now have all those deradicalization groups which are helped by the governments.

One of the main ideologues of radicalism, Abu Musab al-Suri, whose 1,600-page book on the Internet was largely translated by Centrale [phonetic], which is the CIA front down there, was publicized by
Western intelligence, among other things, because the project he has does not work.

It's just like what the French did during the war in Algeria, which was a military success from the French point of view, because they inoculated poison into the FLN and then those people started to kill each other endlessly.

But history will tell.

JOANNE MYERS: Unfortunately, our time is up. I thank you so much.

GILLES KEPEL: Thank you.

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