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## **NEW MIDDLE EASTERN REVIEWS**

## Globalization and the Politics of Development in the Middle East, 2<sup>nd</sup> Edition

Clement Moore Henry and Robert Springborg Cambridge, Cambridge University Press, 2010, 328 pp., \$27.68 / £34.96, Paperback ISBN: 978-0-521-73744-9

## REVIEWED BY YUSUKE KAWAMURA

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This book explores the ongoing debates and scholarly discourse on the political economy of the Middle East and North Africa (MENA) region. The authors, Clement Moore Henry and Robert Springborg, are leading scholars in contemporary Middle East politics. The first edition of the book was published in 2001; since then, the MENA region has experienced various political changes such as the overthrow of the Saddam Hussein regime and the rise of conservatism in Iran. This new edition updates the information on Middle Eastern politics by covering the key political and economic developments of the 2000s. First, the volume has been expanded by approximately 100 pages due 'to a remarkable increase in available comparative economic and governance data over the past decade, a phenomenon that has paralleled and contributed to economic globalization' (p. xi). Data in figures and tables are also updated to cover the late 2000s. Second, the reading lists in each chapter contain newly published works and are extremely useful, especially for undergraduate students of Middle Eastern studies.

The authors hypothesize 'that politics drives economic development and that the principal obstacles to development in the region have been political rather than economic or cultural in nature' (p. 3). Based on this argument, the study focuses on the differences between the levels of economic development of countries in the region and the various ways in which these states have responded to pressures for economic liberalisation. In this context, the authors present a typology and classify the MENA countries into three categories: praetorian republics (subdivided into bully and bunker states), globalizing monarchies and democracies.

Praetorian republics—both bully and bunker states—are dependent on coercive measures such as the military, police and intelligence agencies. Bully states have a more developed civil society and possess rational-legal legitimacy, whereas bunker states do not. The former category includes countries such as Egypt, Tunisia, the Palestine Authority and post-2005 Iran, while the latter is represented by Algeria, Iraq, Libya, Sudan, Syria and Yemen. The local capitalist class in bully states is more organized than that in bunker states; therefore, 'the structural power of local capital, although negligible in praetorian republics governed by bullies, is noticeably greater than in bunker states, where security of property is insufficient to permit capital accumulation in the home country' (pp. 67–9). Political leaders in bully states co-opt some local capitalists and distribute rents to them to ensure political survival, a behaviour that promotes crony capitalism in these economies.

Unlike bully states, bunker states are controlled by traditional social forces. Muammar Qaddafi of Libya, Ali Abdullah Saleh of Yemen and Saddam Hussein of Iraq, for instance, were heavily dependent on tribal alliances, thus the interests of these traditional classes were prioritised over the rest of the citizenry. Bunker states completely exclude civil society from the decision-making process and thus 'are in a potential state of war with the societies they

rule... Outside the bunkers, their civil societies and business entrepreneurs, to the extent they existed, have been deactivated, silenced, forced into exile, or eradicated' (p. 114). Therefore, these countries have difficulty in adopting economic liberalization unless they cultivate the private sector and allow the civil society to mature.

In globalizing monarchies the traditional ruling and commercial elites have survived, unlike the praetorian republics in which their equivalents were ousted by radical nationalist movements during the Cold War. The elites remain influential in monarchies and have maintained economic openness to a large extent. Active private sectors encourage international and local investment in local business, enabling the economy to be relatively competitive in the global market. Thus, monarchies are relatively capable of responding to the challenges and opportunities of globalisation. The Gulf Cooperation Council (GCC) states (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), Jordan and Morocco are considered to be globalizing monarchies.

The category of democracies as defined in this study includes pre-2005 Iran, Israel, Lebanon and Turkey. Countries in this category are most capable of dealing with the challenges of globalization. Economic outcomes are determined through interaction between states and their civil societies. Israel and Turkey, for instance, adopted policies of import substitution industrialization in the 1970s and suffered from high inflation which had placed a heavy burden on their budgets. In the 1980s, as a response to their earlier troubles, both countries implemented stabilization and structural adjustment measures through initiating a transition to neoliberal economic policies. The private sectors in these countries have utilized opportunities provided by the state, and the economy was successfully shifted towards export-oriented industrial production.

When the new edition of this book is compared with the first, the Iranian and Iraqi cases demonstrate an interesting contrast. Whereas the authors have changed Iran's classification from a democracy to a bully state in the new version, they still categorize Iraq as a bunker state despite its dramatic political change following the 2003 Iraq War and the overthrow of Saddam Hussein. According to Henry and Springborg, Iran shifted from being a democracy to a bully state after Mahmoud Ahmadinejad was elected president in 2005. The Ahmadinejad government depended heavily on the Islamic Revolutionary Guard Corps (IRGC) and the *Basij* militia. On the basis of this political situation, the authors claim that 'Iran's quasi-democratic status, in which competing factions shared power within the state with reasonably free and fair elections contributing substantially to that balance of power, and in which civil society was afforded considerable freedom, had come to an end' (p. 310).

On the other hand, although Iraq experienced a drastic political change after the first edition of this book was published, the authors still categorize it as a bunker state. The Saddam Hussein regime was overthrown by the US military, and a democratically-elected Iraqi government was established under the auspices of the US government. Yet, this does not appear to prove sufficient for this country to evolve into a democracy. The new prime minister, Nuri Kamal al-Maliki, has installed his supporters in key ministries and agencies, enabling the government to monopolise coercive forces and financial sources through controlling the Ministry of Oil. His strategy is similar to that employed by Saddam Hussein after the First Gulf War. The authors, therefore, assert that Iraq continues to be a bunker state even after the overthrow of the Saddam Hussein regime.

Although this book contributes to the scholarly literature through the comparative analysis of country cases in the MENA region and enhances our understanding of how different regime types result in different economic decision-making processes, it should be noted that the work also has several shortcomings. The first one concerns the classification of Iran. The authors claim that Iran shifted from a quasi-democracy to a bully state in 2005 despite its lack of drastic political change, such as a coup d'état or a revolution. It is undeniable that President Ahmadinejad was highly dependent on coercive measures; however, Iranian political leaders—whether the president or the supreme leader— are able to exercise the power to use coercive force to suppress civil society for their survival. If this is the case, the Iranian democratic system is not yet institutionalized, implying that Islamic Republic of Iran was never a democracy and was a bully state even before 2005.

The second shortcoming concerns the difference between bully and bunker states. The distinction between them appears blurry at best. For example, Syria is classified as a bunker state, yet it has experienced economic liberalization. The Bashar al-Assad regime has attempted to co-opt local capitalists who had emerged as a result of this economic liberalization. This feature is similar to that of the Mubarak regime in Egypt, which is classified as a bully state. In this context, it is important to note that a study by Stephen King analyzes the authoritarian regimes of four MENA countries (Egypt, Tunisia, Algeria and Syria) and assert that political leaders of all four have adopted similar economic strategies.<sup>1</sup> Thus, several bunker states have begun to exhibit features of bully states which might make the distinction between the two meaningless.

Despite these minor quibbles, however, the book provides readers with a deep analysis of economic decision-making processes in a number of country cases, and it is particularly successful in highlighting the reasons behind the economic success of democratic countries vis-à-vis authoritarian regimes. The framework the authors establish throughout the study is useful for comprehending the political economy of development in the MENA region.

<sup>&</sup>lt;sup>1</sup>Stephen J. King, *The New Authoritarianism in the Middle East and North Africa* (Bloomington: Indiana University Press, 2009).