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Book Review: A Political Economy of the Middle East written by Alan Richards and John Waterbury

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He underscores Irish political scientist John McGarry’s contention that, with the sole exception of India, federations in the developing world employing mainly ethnicity to define component polities have an “abysmal track record.” He therefore concludes that such a federation would further aggravate already frayed ethno-sectarian relations in Iraq. Although a veto on federal action for weaker groups might be helpful, such a palliative could lead to political paralysis at the center. And where, as in Iraq, there already has been ethno-sectarian strife, separation along ethno-sectarian lines may be the only way to prevent further violence (a method already, of course, employed in Iraq, especially with the unsightly and much-resented walling off of entire neighborhoods in Baghdad). Bearing in mind the difficulties noted above and the large areas of mixed population in Iraq, Anderson posits a somewhat more flexible model mixing both ethno-sectarian and regional considerations for crafting federal sub-divisions. Still, he points out that establishing regional definitions and boundaries could well be a daunting challenge. This is especially the case in light of the ebb and flow of the geography of regional administration in Iraq laid out so well in Richard Schofield’s article. Furthermore, dominant groups might well be reluctant to break up their respective power bases in any significant way.

As can readily be seen, these articles serve up more questions, albeit some very good ones, than viable solutions. Nonetheless, Vissar and Stansfield illustrate why those focusing on tactical military successes must look far deeper in search of a balanced formula for federal governance that offers a chance for long-term stability. There is no clear choice that by itself promises to greatly reduce Iraq’s ominous and persistent ethno-sectarian and other tensions. Even though representatives of different ethno-sectarian groups in the Baghdad government have been able to work together on certain issues, it is difficult to know whether that tendency can be extended to the broader mass of Iraqis beyond the Green Zone.

Until some of the historical baggage, daunting challenges, potential solutions and contradictions laid out so well in this volume have been explored more thoroughly, observers should continue to heed General David Petraeus’s repeated warnings (at least through April 2008) that, despite recent security gains on the ground, the overall situation in Iraq remains “fragile.”


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Alan Richards and John Waterbury’s *A Political Economy of the Middle East* has always been a bit hard to characterize. It is clearly intended to be used in serious university courses about the socioeconomic problems facing the region, but it is much more than a textbook. Starting with the first edition in 1990, the volume has exposed several generations of policy makers and concerned observers to the complexity and interdependence of the economic, social, political, religious and historical forces shaping events in the region. Yet, much to
the dismay of some Middle East experts, Richards and Waterbury do not subscribe to the
notion that the problems confronting this part of the world are fundamentally different
than those found elsewhere.

The strength of their approach is their application of a unique set of premises centering
on three universal elements: strategies of economic transformation, the state agencies and
actors that seek to implement them, and the social actors such as interest groups that
react to and are shaped by them. “Each of the three vertices entails questions about the
nature of the state, the emergence of economic interests, and the effects of development
strategies.” More precisely (p. 8),

- Economic growth and structural transformation have unintended outcomes to
  which state actors must respond.
- The state structure and fiscal, monetary and trade policy affect the rate and form
  of economic growth.
- Social actors mold state policy. Interest and pressure groups and, most broadly,
  proprietary classes seek to protect and promote their own interests through the
  state. In some cases, the influence of a particular social actor may be so strong
  that the state becomes its “instrument.”
- The state shapes, even creates, social actors, including classes.
- Economic growth and structural transformation shape social actors.
- Social actors affect the rate and form of economic growth, not only indirectly
  through their impact on state policy, but also directly.

Drawing on this framework, the authors proceed to diagnose the many underlying
causes of the stream of events that have focused increased international attention on the
region. From the various chapter titles one can gain a quick appreciation of the book’s
ambitious scope: Economic Growth and Structural Change, The Impact of Demographic
Change, Human Capital, Water and Food Security, The Emergence of the Public Sector,
Contradictions of State-led Growth, The Uncertain Career of the Washington Consensus,
Urban Political Economy, Political Regimes, Solidarism and its Enemies, The Military and
the State, and Is Islam the Solution? A final chapter examines regional economic integra-
tion and labor migration.

The chapters do not focus on isolated issues, but rather form the basis of a dynamic
mosaic that allows them to infer significant trends that might be missed by more superfi-
cial assessments:

Between the publication of the first edition of this book in 1990 and today, cur-
rents that we identified in two previous editions have commingled and become
more powerful. What was politically sustainable, albeit at the cost of heavy
policing and repression, is no longer so. All regimes have begun to grapple with
this reality, but, because the great majority have been in power for many years,
the grappling is tentative and inconsistent. It has begun, typically, with passes at
economic reform and, less frequently, at political liberalization. The turn toward the market has been partial and hesitant — and, even where embraced enthusiastically, has not greatly reduced unemployment (p. 408).

Their framework also provides immediate insights into emerging problems and offers policy guidance that, if heeded, could avoid countless failures and the loss of goodwill throughout the region. The response to 9/11 provides a classic example. As Richards noted in a previous issue of *Middle East Policy* (Fall 2003, p. 72):

If we have learned anything about improving development policy, we know that institutions matter greatly and that institutions can only be crafted from within a society. Outsiders can do little to reform legal systems, enhance accountability and (above all) improve the chances of success of a pacted transition to democracy [i.e., a transition agreed upon by reformers within the government and moderates within the opposition].

Despite their many insights, the authors are not afraid to admit that at times their assumptions have perhaps led them astray. Richards, who is solely responsible for the revisions in the third edition, has changed his views on economic reform over the years, following a growing body of knowledge suggesting that the naive free market and free-trade versions of the Washington Consensus are not the panacea he and many economists in the early 1990s thought them to be:

Although the problems and contradictions of state-led growth were (and are) real enough, there was (and is) no simple, much less universal, set of institutional changes that can overcome them. The problems of economic growth and structural change are intractable, complex, murky and deeply, inescapably political. Sweeping “reform packages” were always suspect, if for no other reason than it is political folly to offend everyone at once — which is what the economic logic of the Washington Consensus often implied. Further, the benefits of reform are always uncertain, and losers may be better placed to act. As it has turned out, the benefits have often been mixed, unequally distributed, and potentially destabilizing.

It is hardly surprising, therefore, that regimes implemented economic-policy changes gradually and selectively. Regimes fear, with reason, that the full-scale embrace of the Washington Consensus entails a high risk of political destabilization....Whether due to the inherent difficulties of implementing economic policy or to the unevenness of reform, the results of economic reform have been relatively disappointing. Although in some countries economic performance in the mid-to-late 1990s was considerably better than in the previous ten years, in no country has growth been strong enough to lower unemployment or significantly raise real wages and living standards, as has happened in East
Asia.... Nor is there strong evidence that countries that embraced much of the Washington Consensus performed markedly better than those who eschewed many of the recommended changes (pp. 260-61).

While the Bush administration is not taken directly to task, the message is there. From the start, U.S. economic policies in Iraq were based exclusively on the failed Washington Consensus. The economy collapsed, unemployment quickly rose to over 40 percent, and the country descended into chaos with no institutions or governmental safety nets in place to buffer the average Iraqi. Richards and Waterbury would probably note as above that “it was political folly that offended everyone at once.” How different things might have been if officials in Washington had only taken the time to draw on the historical record so ably laid out in this book.

What does the future hold? Wisely, the authors do not make any sweeping speculations other than simply to warn that the forces are at work to move the region toward greater instability:

It is a much more difficult time than 40 years ago, not merely because resources are so severely stretched against growing populations (recent upticks in oil prices notwithstanding), but also because so many experiments undertaken with confidence and enthusiasm have failed and an entire political generation is burdened with fatigue and self-doubt. Tragically, political actors from both inside and outside the region have been increasingly lured by the siren song of militancy and violence as a solution to these deeply rooted problems. History strongly suggests that such a turn will only steer the ship onto the rocks. Part of the problem is the absence of clear, credible alternatives. State-led growth, the Washington Consensus and (in Iran, Sudan and Saudi Arabia) political Islamism have all been tried, and all have produced decidedly mixed results.

Thus, without tested models, without long-term strategies, and amid rising political violence, the Middle East has entered a period of uncertainty. In part, the successes of recent decades, especially the establishment of a diverse, better-educated middle class with growing expectations, will make the immediate future particularly challenging. (pp. 412-13).

If the book has a shortcoming, it might be the limited space devoted to globalization. The Middle East stands out as the least globalized area in the world. Arab intellectuals in particular are increasingly stressing the threat posed by globalization to their societies and ways of life. In recent years, a new wave of Arab writings on globalization have put forth the argument that Islamic nationalism, even in its most militant form, should be seen as a direct response to the cultural side effects of economic globalization. Why is globalization commonly viewed within the region as an American phenomenon? To some extent, the perceived failures of globalization throughout the region have fanned anti-Americanism and helped spawn a wave of new recruits to extremist causes. While
bits and pieces of this theme are touched on, given its contemporary importance, it would have been nice to see a new chapter devoted to this topic in the third edition.

A brief review can never convey the richness and depth of works like *A Political Economy of the Middle East*. Those looking for quick, easy answers to many of the leading issues of the day will be disappointed. There are no one-page action plans or sets of bullet points that lend themselves to solving difficult challenges. However, those wishing a deep understanding of the complexities of the region will find *A Political Economy of the Middle East* invaluable in understanding the fundamental causes of the policy failures of the United States (and the West) over the years. Perhaps the tragedy of our time is that key policymakers in the West have unfortunately been largely oblivious to the wisdom and insights provided by this masterwork.


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In a review of *Arguing the Just War in Islam*, Irshad Manji praised what she considers to be John Kelsay’s attack on Islam (*New York Times*, Jan. 6, 2008), and, while I found the sensationalist assertions of the review off-putting and Manji’s knowledge of Islamic doctrine limited, one must admit that lines are being drawn in the sand. Some academics are jumping on the bandwagon for the neo-Orientalist proposition of a “good Islam.” While there are advantages and ambiguities in Kelsay’s approach to Islamic thought here, his opening statement — that Islam is a contested notion (p. 9) — properly sets the stage for his discussion.

Kelsay takes on several projects in this book. First, it is a well-written introduction to Islamic thought and certain current issues that will appeal to general readers interested in understanding the rules and context of arguments about jihad. The book also aims to explain the processes, though not the detailed methodology, of shariah thinking or reasoning, which is the basis of *fiqh*, or jurisprudence, the making of Islamic law. Another goal is to consider the possibilities for “Muslim democrats” (all of them residents of the United States, whom Kelsay identifies as Abdulaziz Sachedina of the University of Virginia; Abdullahi al-Na’im, a former Republican Brother and legal expert from the Sudan; and Khaled Aboul-Fadl, an Egyptian legal expert). Kelsay highlights their divergence from militancy, including that of al-Qaeda. Overall, Kelsay’s book presents a linear intellectual history of Islam, explaining the Muslim “understanding” of its legacy of war and presenting short portraits of particular figures who are crucial to the debates about Islam and politics, Islam and the West and the ideological bent of activists from the Prophet Muhammad to President Mahmoud Ahmadinejad of Iran.

Texts like Ahmadinejad’s letter to President George W. Bush can be read in different ways, and my reading is not Kelsay’s. But his approach is useful in expressing particular arguments about the role of religion in society. The posing of Muslim democrats against...