

## BOOK REVIEW

**Book Review: Hanieh, Adam. *Money, Markets, and Monarchies*. Cambridge University Press, 2018**

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**Abstract:** The GCC region can offer a significant research reservoir for academic research about its development as a global key financial key player. Precisely, the GCC's political economy has been witnessing significant shifts that enhanced economic growth rates in this hub. Hanieh's book *Money, Markets, and Monarchies* attempts to detach this block from misconceptions which reduced it to a mere source of abundant hydrocarbon resources and fuse this block to the international financing system. In order to fulfill the mission of this book, Hanieh analyzes the economic arms, financial strategies, and devices that enhance the GCC's role in the global financial system. Hanieh's book is thought-provoking and insightful for scholars interested in the GCC region from an economic and financial facets.

**Keywords:** GCC region, SWFs, political economy

The following six Gulf Cooperation Countries (GCC), Kuwait, Saudi Arabia, Bahrain, United Arab Emirates, Qatar, and Oman, comprise the Arabian Gulf region. An ongoing shift confronts these GCC countries' economies. As mentioned in GCC countries' national visions, diversifying their hydrocarbon-based economies is essential to maintaining sustainable development for future generations. In *Money, Markets, and Monarchies*, Adam Hanieh examines the GCC countries' political economies. This book offers timely insights on the evolution of the GCC countries into the Middle East's political economy key players. This scholarship is implemented through analyzing the trajectories, strategies, and the main devices that helped accelerate the growth rate in the GCC countries. The GCC countries are abundant in hydrocarbon resources and thus are considered among the main hydrocarbon global exporters vast in hydrocarbon resources. Hanieh's main theme is to trace what makes the GCC countries unique as key players in the realm of global capitalism and political economy. According to Hanieh, the GCC countries shine as the "new powerbrokers" globally with incremental financial growth despite the challenges associated with the drop in oil prices and the recession witnessed by the international economy during the last two decades. By focusing on the GCC region as an emerging block in the global financial system, Hanieh aims to integrate the GCC region in theoretical discussions on influential powers in international financial systems. Hanieh mentions that the acquisitions made by UAE, Qatari, and Saudi SWFs and enterprises were ranked 12<sup>th</sup> globally after those implemented by the UK SWFs in 2016. He establishes his investigation on the foundation of the interaction between domestic social and economic dimensions in the GCC countries, their reciprocal economic relationship with the Middle East, and the GCC-global financial and socioeconomic interlinkages. Hanieh depicts in his words that he wants to investigate "who holds them, where they go, and what they do" in this network that links the GCC countries to the Middle East and the connection between the former and the global financial capitalist system. (p.31).

According to Hanieh, there is a misconception regarding the GCC countries in the context of the Middle East in the vast body of literature focusing on them and this region. This generalization reduces the GCC countries as merely "a source of oil or a protagonist in conflict" (Hanieh, 2018, p.4) and depicts the Middle East as an unstable and conflictual region. Furthermore, two points constitute gaps in the literature on the political economy of the GCC region. First, Hanieh attempts to discuss the mutual relationship between the GCC countries and their larger context-the Middle East. Secondly, to understand the tangible elements of the modern global economy, one must examine the source and tools of financial surpluses and accumulations of the GCC countries. The book is divided into an introductory chapter (ch.1) and three parts. The first part includes chapters (2, 3), the second part includes chapters (4-6), and the last part includes chapters (7-8). In the introduction, Hanieh explains that deciphering the world into divisions such as central/peripheral results in a narrowed analysis. Such analysis is not compatible with the nature

of capitalism. Capitalism is complex as it functions “throughout all scales” (p.25). In the first part of the book (chapters 2,3), Hanieh identifies the GCC accumulation models. In these chapters, Hanieh explains that Neoliberalism transcends the borders of the nation-states. In this regard, Neoliberalism should be reinvestigated. Furthermore, Hanieh lists the names of influential firms at the level of the GCC region and contextualizes the economic domain where these companies function, such as telecommunications. In addition, Hanieh classifies these firms according to their impact, size, and share in capital accumulation. In these chapters, Hanieh explains that the fuel demands from Asia led to vast accumulation processes by the GCC countries. Also, it led to the recirculation of GCC’s surplus accumulation through companies like Dalla Al Baraka Group and Al-Rajhi towards emerging markets in the US, Europe and even Asia.

In the second part of the book (chapters 4-6), Hanieh examines the GCC capital’s three domains with the Middle East region. These levels are the agricultural products, the real estate, and the financial markets. In construction, Saudi companies top the chart of GCC firms involved in this field. In this part and in particular, in chapter (4), Hanieh touches on agrobusiness and the role of the GCC countries in circulating agricultural products. The role of GCC countries in agricultural commodities internationalization to achieve their food security has been undervalued in the literature about the political economy of the GCC countries. The GCC countries have endeavored to ensure more accessibility to food supplies and stabilize the food prices. The GCC countries are highly dependent on food imports and thus vulnerable to food disruptions. The GCC’s food security is challenged by the GCC’s harsh natural and climate conditions. In order to guarantee the food security of the GCC countries, these countries are investing in agricultural technologies and in overseas arable areas, for example, in the poorer areas in Africa. In the third part (chapters 7, 8), Hanieh analyzes the impact of the 2014 oil price drop and contemplates future scenarios in the region, especially the prospects related to the rehabilitation of the conflictual zones. The reconstruction of the affected zones in the Middle East such as in Syria and Yemen are carried out by firms located in the GCC region. In a pessimistic tone, Hanieh indicates that US and European interests in the GCC region is still growing. The series of recent events such as: the Blockade on Qatar led by Egypt, Bahrain, UAE and KSA (2017-2021). One of the merits of Hanieh’s book is that it offers a new lens for examining the political economy of the GCC region. It considers that the state is the facilitator for the accumulation of capital. Most of the literature on the political economy of the GCC region is based on the rentier state theory and Weberian advocates. Hence, it views the state in the Gulf as a separate entity that challenges or hinders the process of private capital accumulation. Hanieh disagrees with Weberian and rentier-theory views. He indicates that “the state as an institutional form that articulates and intermediates the power and interests of the capitalist class itself” (2018, p.67). He considers there is a convergence between the public and private capital in GCC countries.

Hanieh’s argument resonates with Nathalie Koch’s article *The Geopolitics of Gulf Sport Sponsorship, Sport, Ethics and Philosophy*. In this article, Koch (2020) indicates that the system structure of financing sport in the GCC region is exceptional. In this hub, the state coincides with other actors. Therefore, understanding the GCC’s financing and dense sponsorship network in sport investments and industry is essential to understanding the regional and global political economies. This array of actors includes Sovereign Wealth Funds, state-owned airlines, businessmen, political elites, royal family members, teams, etc.

Hanieh is prescient about the Gulf’s political economy. His book is well-researched, informative, and comprehensive. He renders a valuable and deep insight into the GCC’s financial penetration in the Middle East and the GCC’s engagement with the world. He analyzes the GCC as an inseparable part of the greater Middle East and the distinct features of each GCC country as well, and he frames his analysis within the global context. This book constitutes a significant contribution to the growing literature on the GCC’s contemporary capitalist systems. Furthermore, this scholarly contribution is vital as it discusses the concept of crisis, whether related to the lowering oil prices since 2014. Hanieh deciphers this notion through exploring the GCC’s national visions based on economic diversification and contextualizing the concept of reconstruction related to the recent conflicts, whether in Yemen or Syria and the one at the GCC’s internal level -Qatar’s Blockade 2017. Hanieh does hint at the role of Arab diaspora capitalists in the process of accumulation in the GCC region. To these non-GCC capitalists, “the Gulf remains a critical zone of accumulation for these capitalist classes” (Hanieh, 2018, p.158). Accordingly, these non-GCC capitalists are part of the capitalist class structures in the GCC region. An example was the former Lebanese prime minister Rafiq Al-Hariri who was, according to Hourani (2010), a ‘businessman-representative of the Saudi Royal Family’ (cited in Hanieh, 2018, p.160). Yet, one of the limitations in Hanieh’s book is the absence of discussion regarding the role of the migrants’ remittances, especially the Arab migrants working in the GCC region, in the internationalization of the capitalist class formation in this hub.