**International Political Economy and the State in the Middle East**

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Abstract:

International political economy has largely ignored the Middle East. This special issue not only expands the discipline’s scope geographically but also conceptually by addressing IPE’s ‘blind spots’ including gender and sexuality, race and colonialism, security-economy nexus, and the expertise intensity of our economy. Contributors do so by challenging exceptionalist conceptions of the Middle Eastern states as neo-patrimonial ‘rentier states’ unable to face challenges and seize opportunities of globalization. Contributors build on openings in IPE of the Middle East by deploying historical approaches, studying logistics that facilitate flows and circulation, regarding Middle Eastern states not just as passive recipients of globalization but active makers of regional and global capitalism, and through ethnography. The purpose is not to characterise a singular ‘the Middle Eastern state’ but to contribute to novel IPE debates on the state that go beyond Eurocentric institutionalism.

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Given the role of oil as the quintessential strategic commodity, the recent wars in Syria and Libya and the ongoing one in Yemen, most scholarly literature on international politics analyses the Middle East primarily from a security perspective.[[1]](#footnote-1) Surveys of international relations scholars reveal that they consider the Middle East to be of little strategic significance for the global political economy (Maliniak & Tierney, 2009). Not infrequently, and even more so in current affairs publications, the region is still seen through an Orientalist gaze that permeates analyses of all facets of economy, politics, and society in the region. This was especially on display in the summer 2022 special of *The Economist*’s magazine *1843*, covering issues ranging from ‘the obesity gap’ allegedly affecting women in the Middle East to presenting Saudi crown prince Mohammed bin Salman as the ‘millennial autocrat who controls our oil’. Fred Halliday had characterised the academic literature’s tendency to treat the Middle East ‘exceptional’ as ‘regional narcissism’.[[2]](#footnote-2) Often, such narcissism also shows signs of Orientalism, if not in the brazenly explicit form just illustrated.

Through its claim that oil wealth reduces economic, political, and social pressures for democracy, rentier state theory has been a significant contributor to this exceptionalist view of the Middle East. Crucially, rentier state theory also remains the main conceptual contribution that the region has made to the field of International Political Economy (IPE), which inevitably colours how the latter sees the region. Beyond the rentier state, the Middle East in IPE has primarily been a site for data mining and extraction much more than for theory-building, to the point that even the extent to which hydrocarbon proceeds – ‘petrodollars’ – were crucial in propping up dollar hegemony in the wake of the collapse of the Bretton Woods exchange rate arrangement have only received limited attention in the field (Nitzan & Bichler 1995; Spiro 1999; Braun et al. 2021). Thankfully this is beginning to change (Snider 2017). This special issue not only expands the discipline’s scope geographically but also conceptually by addressing some of IPE’s ‘blind spots’ related for instance to gender and sexuality, race and colonialism, the security-economy nexus, and the expertise intensity of our economy. The purpose is not to characterise a singular ‘the Middle Eastern state’ but to contribute to novel IPE debates on the state that go beyond Eurocentric institutionalism.

Precisely because the state is so often identified as the source of what makes the Middle East unique, either in the form of the just mentioned rentier state or through reference to authoritarian governance, our efforts to broaden how IPE engages with the Middle East focus primarily on the state conceptually and on concrete states in the region empirically. Exploring the ways different Middle Eastern states, and at times specific institutions within them, participate in the global political economy provides an opportunity not only to de-exceptionalise the state in the Middle East, but also to contest and overcome conceptual binaries that often shape IPE analysis, including for instance between rent and profit, between security and accumulation, and ultimately the foundational one between inside and outside of a state – both in terms of state/society but also national/international.

The stark separation between inside and outside has been contested by globalisation, and the rest of this introduction starts from outlining the merits and limits of the dominant political economy literature on globalisation and the state in the Middle East. The second section then outlines how work that challenges the blind spots of this dominant IPE literature has been produced by scholars focusing on the region even if this may not necessarily identify with IPE as a field of inquiry. The third section shows how the contributions to this special issue push the boundaries of IPE – both geographically and conceptually – by questioning exceptionalist understandings of the Middle East through reference to specific elements of state activities and policies, ranging from neoliberal transformations in Iran to the politics of developing poverty indicators in Jordan, from the perceived marginalisation of ‘visibly Muslim women’ by the Lebanese banking sector to the ’micropolitics’ of US transitional assistance to Egypt in the wake of the 2011 uprisings, and from the international economic activities of Iraqi and West German intelligence agencies in the 1980s to the deployment of food security discourse by states of the Gulf Cooperation Council (GCC).

**Globalisation and the state in the Middle East**

Until relatively recently, when looking at the IPE literature on the Middle East we would be looking at a sparsely populated field, and one rife with simplifications and stereotypes (Tansel & Sancak, 2022). Similar omissions and distortions of the region also plague IPE teaching (Baumann, 2021). The combination of neglect and exceptionalist coverage contributed to the same overall outcome: either because not enough attention was paid to political economy dynamics, or because of a primary focus on perceived ‘dangers’, coverage of the region in IR and IPE was heavily ‘securitised’, subordinating the political economy of the region to considerations of energy security and conflict management in the context of authoritarian rule. As mentioned above, the rentier state paradigm very much provides an analytical framework that captures this combination of energy security, authoritarianism, and propensity towards conflict.

In rentier states, external rent is an unproductive ‘gift of nature’ that accrues to the state and is then allocated to society (Beblawi, 1987; Luciani, 1990). This leads to a lack of democracy, as oil states ‘buy off’ society. A ‘rentier mentality’ that impedes economic development, and a diffusion of rentierism across the Middle East through Gulf aid. (Beblawi, 1990; Luciani, 1990). The following generations of rentier state theory provided greater sophistication to the model, nuancing Gulf oil states’ relations with society (Beck and Richter, 2021; Chaudhry, 1997; Crystal, 1990; Herb, 2018; Hertog, 2010; Moore, 2002; Smith and Waldner, 2021). However, rentier state theory has failed to account properly for the position of Gulf states in the global political economy, even if it managed to generate and test hypotheses about relations between state and domestic society (Baumann, 2019; Ennis, 2019).

Importantly, many of the features attributed to rentier states also carry forward to resource-scarce states in the region. An early attempt at this analytical extension was the derivation of ‘second-order rentiers’ (Beblawi 1987: 393), benefitting indirectly from hydrocarbon rents, for instance through workers’ remittances and regional aid. As a result, irrespective of hydrocarbon endowments, rents are considered to warp how Middle Eastern states engage with the global economy, as ‘the oil disease has contaminated all of the Arab world’ (ibid). These arguments carry significant weight also among scholars exploring how globalisation has shaped the political economy of the region. Leading scholars on this issue see Middle Eastern states engaging with globalisation at best as ‘defensive modernizers’ (Henry & Springborg 2010: 3), while others essentially present regional states as distorting the logic of globalisation by fostering rent-seeking and cronyism (Cammett et al. 2015: 273-287). While these assessments are not wholly inaccurate, they reproduce the issue, first identified by Nazih Ayubi (1995), of ‘over-stating’ the relevance of the state in the Middle East.[[3]](#footnote-3) While invoked as a key determinant of the peculiarities of economic, political, and social development in the region, the state is much less often adequately theorised, both in its relations with society and in its interactions with the wider world. [[4]](#footnote-4)

This analytical limitation of dominant approaches to the political economy of the Middle East has two metatheoretical sources, namely methodological nationalism and an additive understanding of political economy. The former is understood here as the tendency to take ‘the nation-state as the self-evident container of political, cultural, and economic relations’ (Goswami 2002: 794). Global processes and transformations, such as container shipping or financialisation, are thus taken not as generative of new conditions within which states act, and they are certainly not seen as being generated by Middle Eastern states. Instead they are merely seen as external stimuli, which incumbent autocrats in Middle Eastern states can manipulate at will to advance their own agenda (Kamrava 2004; Henry & Springborg, 2010). This tendency might well be understood as another way of ‘over-stating’ the state that Ayubi had not originally covered, and one of the main challenges for this special issue lies exactly in dealing with the state in the Middle East, and Middle Eastern states, without falling in the trap of methodological nationalism/statism.

The additive understanding of political economy, as ‘politics + economics’, is another key component of this inability to adequately grasp global dynamics. Middle Eastern economies are interpreted as crony capitalist, distorted by the “primacy of politics”, meaning the “imperative of regime security” (Malik, Atiyas & Diwan, 2019: 3). The “political” is here reduced to actions of the authoritarian regime which distort the functioning of the market. As Halliday had put it in his influential textbook, autocrats’ “political concerns override economic ones, but in a relationship that is none the less intense for that” (Halliday, 2005: 263). Such a Weberian conception is still heavily influential in comparative political science and positivist IR approaches, which have played an important role in the production of often misleading accounts of ‘democratisation’ and ‘democratic backsliding’ in the region (Tansel, 2018). Politics and economics are conceptualised as separate fields of social activity, each with their own logic, with politics oriented towards seeking power, and economics towards seeking profit. Once understood in these terms, politics gains the ability to disrupt, distort, and pervert the economic imperatives of globalisation, thus preventing the full realisation of its benefits for states and peoples of the Middle East. If all corrupting influences of the market logic come from politics, then the dominance of trade policy by crony entrepreneurs can be presented as ‘political capture’ (Eibl & Malik 2016: 34), even though the capturing is by economic actors for economic gain. While these limitations are not insignificant, they should not distract us from the profound insights of this literature into the ‘networks of privilege’ and cronyism which Middle Eastern regimes have woven to ‘upgrade authoritarianism’ (Heydemann 2004; Heydemann 2007; Diwan, Malik & Atiyas, 2019).

Good governance has been one of the key conceptual tools, especially since the 2000s, through which political distortion is excised from market-making. The World Bank (2003) diagnosed a ‘governance gap’ in the Middle East, where the quality and effectiveness of governance in the region considered weaker than in countries with comparable income levels elsewhere. If the 1980s and 1990s, under the mantra of ‘getting prices right’, were the decade of market-oriented policy reforms, the shift towards governance signalled an additional, rather than alternative, focus on ‘good governance’ as the institutional precondition for functioning markets. References to a region-wide ‘governance gap’ chime with political economists in the 2000s arguing that the neo-patrimonial nature of Middle Eastern states meant they were unable to seize the opportunities of globalization and deal with its challenges (Henry & Springborg 2010). Globalization is then conceived as an external shock onto a passive Middle Eastern state, with very little attention to the high level of intra-regional differentiation in terms of both implementation of market-oriented reforms and participation in global financial and production networks.

In addition to this homogenising tendency, such an approach can also slip into exceptionalism, insofar as the purported exceptional nature of states in the Middle East, driven by rent and hence predisposed to a patrimonial or neo-patrimonial approach to state finances, is given explanatory centrality in accounting for political and/or developmental ‘failures’. John Hobson called this ‘Eurocentric institutionalism’, whereby institutions beyond the West are considered fundamentally different and inferior (Hobson 2013). This glosses over the fact that Europe may share responsibility for the economic malaise and the nature of Middle Eastern states, not least due to legacies of colonialism (Weber 2015). It can lead to what Inayatullah and Blaney (2015) call the ‘condemnation imperative’, whereby Middle Eastern institutions keep being examined and found wanting.[[5]](#footnote-5)

The IPE analyses in this special issue challenge accounts which see Middle Eastern states as self-contained boxes divorced from the global political economy. What is more, the contributors show that Middle Eastern states are shaped by globalization and, in turn, shape globalization. This way, Middle Eastern cases are not merely sites for applying existing IPE theories, but can actively contribute to theorising in IPE. The region is no longer exceptional but central to debates in IPE. The special issue contributes to two debates in particular. Firstly, it addresses several of the “blind spots” in IPE summarised in a recent special issue edited by LeBaron, Mügge, Best, and Hay (LeBaron, Mugge, Best, & Hay, 2021), especially with reference to gender and social reproduction, race and colonialism, the security-economy nexus, the expertise-intensity of our economy and its governance, and climate change. The contributors thus use Middle Eastern cases to drive forward empirical and conceptual debates in IPE.

Secondly, the state is back in IPE. This is firstly due to the expanding role of states prompting a renewed engagement with ’state capitalism’ (Alami & Dixon, 2020), as well as an emerging literature on a ‘new state capitalism’ (Alami et al. 2022) and on state capital in the global political economy (Babic et al. 2020; Babic 2021). In this vein, this special issue builds on a strand in IPE which grapples with the role of states in the global political economy by drawing on concepts from theorists in a Marxian tradition, including Gramsci, Poulantzas, Jessop, and Trotsky (Allinson & Anievas, 2009; Morton, 2007; Hesketh, 2017; Roccu, 2013)As several contributions to this special issue show, Foucauldian approaches to the state can also be fruitfully deployed, for instance by treating the state as an effect (Mitchell, 1991), or in order to tackle issues such as expertise or quantification (Mitchell, 2002).

Finally, a common feature of these new literatures on the state is a conscious attempt to face the challenge mentioned above of Eurocentric institutionalism (Hobson, 2013). This special issue seeks to conceptualise capitalist development beyond the dominant model characterised by ‘Eurocentric diffusionism’ (Anievas & Nişancıoğlu 2015; Tansel 2015). Similarly, the special issue contributes to literature focusing on the role of the periphery in global knowledge production about IPE (Helleiner & Rosales 2017; Helleiner 2023).

**Openings to build on**

Political economy writing on the Middle East has started to change, especially in the past decade bookended by popular uprisings first in 2010-11 and then in 2019. Despite the undoubted peculiarities of specific popular movements and demands, their very geographical pervasiveness from Morocco to Bahrain has elicited greater interest towards the role of regional and global processes in creating some of the preconditions of the uprisings (Snider 2017). Many authors contributing to this literature would not necessarily see themselves as working within IPE, but their work is clearly relevant to the field, and informs much of our thinking around how Middle Eastern states participate in and shape the global political economy. Four strands of literature are especially important from the perspective of this special issue.

First, there is a body of literature that is historical in orientation, at times speaking directly to debates in historical sociology, which locates the region within global economic and political transformations while keeping a firm eye on the contribution of local actors to such processes. It is perhaps not entirely surprising that much of this literature focuses either on colonial history or on the dynamics of state formation. In the former, one can more easily see the formative influence of international and transnational processes in shaping politico-economic developments in specific regional locales, but there is also a conscious attempt to avoid writing out local agency. This is most visible in Sherene Seikaly (2016)’s work demystifying the common conception of pre-*Nakba* Palestine as agricultural land, through a specific focus on commercial and industrial ventures undertaken by local capitalists in mandate Palestine, as well as their understandings and visions of economy.[[6]](#footnote-6)

Located at the intersection between IR and historical sociology, Jamie Allinson’s work is essential to make sense of local agency in shaping not only local, but also regional and global outcomes, all within ‘a process of contradictory universalisation’ (Allinson 2016: 2). This is the case both in his study of the geopolitics of state formation and foreign policy alignments in Jordan (Allinson 2016), and in his more recent work on the aftermath of the Arab uprisings (Allinson 2019, 2022). Here, Allinson shows the centrality of successful counterrevolutionaries in creating a collective subject with both local and international components, enabling them to ‘recompose previously existing regional and international orders’ (Allinson 2022: 19). In a similar vein and similarly located in historical sociology, Daniel Neep’s (2018) work on economic expertise in post-independence Syria shows the centrality of ideas and narratives in the emergence of a specific variety of economic statism, far away from both the Latin American import-substitution model and the East Asian developmental state. In the process, Syria becomes a site for a more complex theorisation of the relationship between crisis, ideas, and institutional change. Also criss-crossing historical sociology, political economy, and IR, Hoffmann (2018: 94) makes a compelling case for ‘re-socialising and historicising nature-society relations’ in the Middle East in a rejection of the orientalist assumption that scarce water and abundant oil are ‘mismanaged by societies and states overall incapable of negotiating modernity’. Snider’s contribution to our special issue similarly provides a way of retheorising the IPE of aid by looking at the brief democratic interregnum in Egypt following the 2011 uprisings.

Second, we also draw inspiration from the literature on logistics in the Middle East. Insofar as it centres its analysis on flows and circulation across scales, this literature provides a formidable antidote against methodological nationalism. Crucially, the focus on ‘networked infrastructures, trade corridors, gateways and logistics hubs’ (Ziadah 2018a: 669) avoids a flattening of space, highlighting spatial fragmentation and hence the co-existence and indeed co-implication of corridors and borders (Manchanda & Plonski 2022; Plonski 2022), and how this shapes the resulting dynamics of social struggle. Work in this tradition has focused on as varied themes as the proliferation of ports and logistics hubs in the region (Ziadah 2018b; Plonski 2022), the aid-trade-war relation and how it coheres in the field of ‘humanitarian logistics’ with specific reference to the UAE (Ziadah 2019), the emergence of transnational education zones in the Arab Gulf (Rottleb & Kleibert 2022), and the logistics of food regimes in the region (Henderson & Ziadah 2022). Additionally, this literature provides an ally for many contributions to this special issue because of its commitment to tearing down conceptual dichotomies often used to make sense of the Middle East in the global political economy, including for instance distinctions around ‘public/private, state/corporations, domestic/foreign or civilian/military’ (Khalili 2018: 913). This is for instance especially visible in Christian Henderson’s contribution on how state and private sector jointly construct the governmentality of food security discourse in the Gulf Cooperation Council (GCC) monarchies of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE). Ali Kassem’s analysis of the perceived erasure and exclusion of visibly Muslim women from the Lebanese banking sector similarly shows the co-imbrication of state and private sector in establishing and enforcing the Lebanese project of Eurocentric modernity. Not dissimilarly, in her examination of the commercial activities of intelligence agencies, Sophia Hoffmann contests the security-economy distinction, one of the most common devices for the division of academic labour in the broad field of IR.

Thirdly, and perhaps more visibly, we cannot but be inspired by Adam Hanieh’s research agenda on the Gulf as a maker of the transformations of global and regional capitalism. This has resulted in publications on, inter alia, the dynamics of class formation and attendant social struggles in the Gulf and the broader Middle East (Hanieh 2011, 2013), but has more recently also detailed the avenues through which Gulf capital has taken a prominent role on the global scale, most notably through petrodollars and investments from its sovereign wealth funds (Hanieh 2018). These transformations, Hanieh argues, demand an emphasis ‘on processes, practices, and interconnections, rather than on the supposedly bounded, pregiven and discrete spatial units through which we are accustomed to viewing the world’ (Hanieh 2018: 18). In his examination of class formation and transformation in Iran in the era of neoliberal restructuring, Kayhan Valadbaygi in this special issue is undoubtedly influenced by this perspective.

If these three bodies of literature have opened up new ways of researching the Middle East in the global political economy, then the final one – ethnographic scholarship – has provided us with a different way of approaching states in the Middle East. Some works within this tradition have also shed light on the political economy of specific processes, mentioning but rarely focusing directly on international actors and factors. For instance, from the Cairo neighbourhood of el-Hirafiyeen, Julia Elyachar (2005: 15) developed an ‘ethnography of the market and the invisible hand’. This co-implicates the state, international organisations, and non-governmental organisations (NGOs) in the production of market economies that, while conforming to the demands of neoliberal restructuring, were heavily reliant on dismantling the real-existing market economies of workshops and craftmanship. Cristiana Strava's ethnography of the urban margins in Casablanca charts both their depoliticization and the reproduction of deep inequalities, but also explores such margins as spaces for novel forms of political engagement (Strava, 2023). José Martínez (2022), meanwhile, builds on and against Mitchell’s work on the state as a power effect, already mentioned above, from ethnographic fieldwork in the bakeries of Amman. Through a focus on bread, its production, circulation, consumption, but also the public policies surrounding it, especially in the form of subsidies, Martínez (2022: 15-16) provides ‘a political ethnography of the state by way of the ordinary and the mundane’. Having already contributed to these debates (Lenner & Turner 2019), Katharina Lenner furthers this line of inquiry in her contribution to this special issue through a focus on the IPE of poverty indicators in Jordan.

**Questioning state exceptionalism in the Middle East**

Drawing inspiration on the authors and debates just mentioned, this special issue seeks to examine and contest the exceptionalism that so often characterises how IPE studies Middle Eastern states. One common theme is that Middle Eastern states are shaped by globalization and, in turn, shape globalization. Contributors conceptualise globalization and the role of the state in this in different ways: the role of foreign donors as integral in the making of the state (Snider), contributing to forms of global knowledge production about poverty or food security (Henderson, Lenner), the enmeshment of global security and global economy (Hoffmann), the reproduction of a global Eurocentric modernity in everyday practices (Kassem), or the transformations of local class structures as part of neoliberal global capitalism (Valadbaygi). Since contributors embrace different conceptualisations of the state, they also identify different ways in which states are shaped and shape globalization.

In her contribution to the special issue, Erin Snider argues that IPE has paid little attention to transitional aid, although transitions are ‘critical junctures’ where foreign donors have an opportunity to challenge or reinforce existing domestic power structures. Snider identifies the 2011 uprising as such a critical juncture. Theories of aid in international relations suggest that it sustains survival of political leaders in recipient countries. Continuity of neoliberal economic policies and autocratic elites were indeed the outcome of Snider’s case study – the US aid response to the Egyptian uprising in 2011 – but her analysis of the ‘micro-politics’ of aid between donors, recipient government, and civil society, demonstrates that influential sections of US policy makers had suggested a more radical break. This road was not travelled, however, depriving Egyptian advocates of an ally in the pursuit of alternative economic policies perceived as key to a economic change. Gulf aid, supporting the military regime from 2013 onwards and the ensuing restoration of exclusionary economic policies further undermined the transformative potential of foreign aid. Snider builds on critiques of crony capitalist restructuring in Egypt and the wider Arab world (Adly, 2020; Heydemann, 2004). She shows that cronyism and networks of privilege are very real, but also that they do not exist in a vacuum. Rather, they are embedded in an international political economy where powerful outside actors can choose to sustain the status quo or disrupt it. The 2011 Egyptian uprising was a missed opportunity for the US to support an emerging coalition of social forces and civil society demanding more inclusive economic reforms.

Returning towards Arab Gulf monarchies, Christian Henderson’s contribution looks at food security discourse as a form of knowledge-power. This approach both deconstructs the predominant technocratic understanding of food security and its policies and shows how this very discourse facilitates the acquisition of foreign land. Both public and private Gulf actors are key players in global land grabs and are thus also makers of globalisation beyond the Gulf states’ traditional role in hydrocarbons. Food security in the Gulf is not merely a technical problem, nor can its dynamics be fully captured with reference to rentier states. Henderson casts Gulf food security as governmentality and a “knowledge power constellation”. He charts the history of food security, which was initially a form of distributing rents through subsidised domestic agriculture. As this strategy hit its environmental limits, food security strategy shifted towards ‘governmentality’ produced jointly by state and private sector.

Henderson traces discourses of food security, combining contradictory themes of security, profit, altruism, and sustainability. These work to depoliticise deeply political processes exceeding the borders of the GCC. These processes include land grabs in Africa, providing reassurance to domestic populations that food is secured, continuing narratives of state mastery over nature which help shore up state power. Henderson’s history of food security discourse as produced by Gulf states contributes to a Foucauldian approach to the state, where food security is an ‘effect’ of state intervention.

Sophia Hoffmann’s article directly addresses the security-economy nexus, identified as one of the ‘blind spots’ of IPE in LeBaron et al. (2021). Hoffmann looks at intelligence agencies to question the distinction of security studies and IPE. She argues that intelligence agencies engaging in ‘intelligence commerce’ are of interests to researchers of IPE. Intelligence agencies’ commercial activities serve not only the goal of spying but also economic goals such as clandestine movement of money or the exchange of restricted goods. Her case studies are the intelligence agencies of West Germany and Iraq in the Cold War. Both engaged in intelligence commerce to manage economic interactions shaped by the capitalist organisation of the world economy, where intelligence agencies utilise private companies or run their own front companies. However, the nature of commerce the two agencies engaged in differed in accordance with their differing positions in the world economy. West Germany was a ‘heartland state’, where the intelligence agencies worked to circumvent export controls meant to project the state’s peaceful image. Iraq, meanwhile, was one of the ‘contender states’ challenging the hegemony of the ‘heartland’ of global capitalism. Its intelligence agencies worked to circumvent restrictions on imports to the country. Hoffmann provides a starting point to think about intelligence agencies as economic actors and she does so from the perspective of the Iraqi state, demonstrating the value of theorising from the Middle Eastern periphery. Methodologically, through its case selection strategy this article challenges dominant assumptions about comparability in IPE, while at the same time echoing Benedict Anderson (2016)’s view on comparison as a discursive strategy in which ‘the most instructive comparisons, whether of difference or similarity, are the ones that surprise’. Importantly, this enables Hoffmann to also contest the hard-and-fast application of the consolidated binary between democracy and authoritarianism, arguing not only that intelligence-commerce occurs across the board, but also that the most influential factor shaping the economic activities of different intelligence agencies is not so much the nature of their political regime, but rather their structural position in the global economy.

Ali Kassem addresses various IPE blind spots – race, gender, coloniality – by advancing an everyday decolonial IPE. He identifies capitalism as a crucial part of Eurocentric modernity, which, following Walter Mignolo (2012), he interprets as a colonial project of domination,. Crucially, he finds that this project is being reproduced in everyday economic practices in Lebanon, namely the erasure and exclusion of visibly Muslim women from the Lebanese banking sector. He arrives at this conclusion by practicing ‘decolonial listening’ in focus groups and interviews with 88 visibly Muslim women in Lebanon. Crucially, insofar as the Lebanese banking sector symbolises the country’s claim to progressive modernity, Kassem interprets the exclusion of visibly Muslim women from employment in Lebanese banking as a form of gendered anti-Muslim racism constitutive of the Lebanese project of Eurocentric modernity. While such erasure is here pursued by private sector financial institutions independently from the state, this practice is in line with the Lebanese nation state’s post-colonial imaginary.

Indicators are a crucial technology of government and scholarship on them helps address another blind spot of IPE, namely the expertise-intensity of our economy and its governance. Drawing on the literature on indicators and governmentality, Lenner points out that they make a phenomenon legible and hold the state responsible for tackling it. At the same time, she identifies ‘opacity’ as a technology of government that allows the state to evade this very responsibility. She shows how this tension between legibility and opacity produced poverty indicators in Jordan, which were ‘not too high and not too low’. They were low enough for the state to be able to claim it was able to address the issue, but high enough to still demand aid from international donors. Lenner thus interprets the indicators as a Mitchellian state effect, which came about through the interaction of various actors across government agencies, donor agencies, and international financial institutions. It produced the paradoxical effect of apparent transparency coupled with the impossibility to assess the success or failure of specific policies as well as public cynicism vis-à-vis these figures.

Finally, the special issue also looks at how global economic transformations have reconfigured the state-society complex (Cox 1987) in some Middle Eastern countries. These transformations however do not see the region as passive recipient of external stimuli, but rather as an active participant in adapting and ‘localising’ global processes, practices, and norms. Kayhan Valadbaygi rejects exceptionalist accounts of Iranian political economy, whether based on rentier-statism, elite factionalism and patronage networks, or Shia Islam. Instead, he ‘situates Iran within the wider motion and tendencies of global capitalism’ while taking account of local dynamics. He thus tracks Iranian neoliberalisation across two phases. An initial economic opening from 1990 to 2005 created an ‘internationally oriented capital faction’ seeking integration into the global capitalist order. This faction pushed for accommodation with the West and stands firmly behind the nuclear agreement that Iran struck with the five permanent UN Security Council members plus Germany in 2015. A second wave of neoliberalisation from 2005 to 2013 created a military-bonyad complex, with reference to Islamic revolutionary foundations which were handed control over state-owned enterprises during this period. The military-bonyad complex pursued neoliberal accumulation based on a ‘flexible’ labour market but opposed integration into Western-dominated capitalism. Valadbaygi explains the institutional reorganisation of the Iranian state with reference to the dynamic between the two capital fractions. Iran’s state is thus not shaped by oil, neo-patrimonial elite factionalism, or Shia Islamist ideology but by the dynamics of global capitalism, mediated via domestic class dynamics.

International political economy can no longer ignore the Middle East. The contributions to this special issue demonstrate the importance of engaging with this region to challenge IPE’s ‘blind spots’ pertaining to gender and sexuality, race, colonialism, the security-economy nexus, and the expertise intensity of our economy. They do so by looking at the state from a variety of perspectives – history, ethnography, or flows and circulation. What emerges from these accounts is not a singular ‘Middle Eastern state’ but rather Middle Eastern states as active makers of regional and global capitalism.

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2. Halliday (2005: 10) defined regional narcissism as ‘the belief that the whole world spends all its time plotting and worrying about the Middle East, and that everything that happens in the region is somehow dissimilar to that which takes place elsewhere’. [↑](#footnote-ref-2)
3. Ayubi’s original thesis referred to the Arab state, but in the context of this special issue we also seek to contextualise what states do and how in the international political economy with reference to a major non-Arab state in the Middle East, Iran. For a reassessment of Ayubi’s thesis one decade after the uprisings, see Achcar 2021. [↑](#footnote-ref-3)
4. For a significant exception, see Haugbolle and LeVine (2023) and Hanieh (2018). [↑](#footnote-ref-4)
5. For a broader argument on how hierarchies are at the very least implicit in how comparative politics works, see Shilliam (2021: 85-118). [↑](#footnote-ref-5)
6. With different inflections, this dynamic relation between global structures of domination and subordination and local agency is also visible in some of the best recent work at the intersection of economic history and political economy, such as for instance Jakes (2020) and Haleh Davis (2022). [↑](#footnote-ref-6)