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Book Review: Arab Economies in the Twenty-First Century written by Raul Rivlin

Looney, Robert

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not at the top of Undersecretary Newsom's assignments. Nonetheless, at various places he mentions that Arab-Israeli issues were having a negative impact on our bilateral relations throughout the broad swath of states from Indonesia to Morocco.

On the subject of the Iranian Revolution, Newsom describes the Shah's state of mind during their meeting in July 1978, but he does not go into detail regarding the hectic maneuvering of the US government as the Iranian monarchy collapsed. Newsom provides some information which is new (to me, at least) regarding the lobbying efforts of US supporters of the Shah for his entry into the United States. That led to the second seizure of US diplomats in Tehran and their 444 days of captivity. Newsom became one of several senior State Department officials dealing with the hostage crisis. While providing some interesting details, Newsom avoids taking sides on the controversies within the US government regarding how best to approach the new Iranian government.

For the most part, Newsom is silent on the scandals and infighting of the Carter Administration, the period when he was working at the highest level for a career diplomat in the State Department. In short, this is not a "kiss and tell" memoir. His observations are thoughtful rather than provocative. Those who knew the careful, precise, and discreet David Newsom will recognize his style.

We are fortunate that Newsom finished the manuscript of *Witness to a Changing World* before his death a year ago. He had spent his last decades educating the American public and nurturing a younger generation of foreign affairs specialists. This book is the final chapter of his legacy.

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ECONOMIC CONDITIONS

Arab Economies in the Twenty-First Century, by Paul Rivlin. Cambridge, UK and New York: Cambridge University Press, 2009. 295 pages. Refs. to p. 314. Index to p. 316. \$85 cloth; \$24.99 paper.

Reviewed by Robert Looney

Prior to 1950, Middle Eastern countries experienced some of the lowest levels of socioeconomic development in the world. However, in the 1960s and 1970s the region experienced nearly universal robust economic growth. While many anticipated that the higher oil prices of the 1970s would sustain this momentum, gross domestic product (GDP) growth per worker in the Middle East decelerated in that decade. In the 1980s and 1990s, GDP growth per worker was less than 1% per year. While growth picked up somewhat with the oil boom in the first decade of the 21st century, the growing income gap with Asia and other parts of the developing world has persisted. The region's chronic unemployment, the highest in the world, has shown little tendency to abate, even during the recent period of high oil prices.

The Middle East's strategic and economic importance has helped spawn numerous volumes in recent years devoted to identifying the factors responsible for the region's economic struggles. A wide range of explanations for the region's economic underperformance have been advanced, including structural economic imbalances, the so-called "curse" of natural resource abundance, deficient political systems, war and conflict, and even culture and religion. Paul Rivlin's *Arab Economies in the Twenty-First Century* represents an important addition to this literature.

Rivlin asks two central and closely related questions. Why did governments act so slowly in response to the problem of unemployment, given the danger that it poses for social and political stability? And, perhaps more importantly, why has the policy response been similar in very different economies?

In his attempt to answer these questions, Rivlin provides a comprehensive survey not only of the various explanations for the region's poor economic performance but also those put forth to explain the persistence of certain ineffective policies despite the seriousness of the economic situation. The answer to both lies in the way in which these countries have developed — in particular the patterns between demographic growth and economic development. Of critical importance is opportunities missed, especially

the Industrial Revolution that has spread through much of the world since the 19th century. In turn, the lack of industrial jobs in the face of rapidly growing populations has contributed to the region's chronically high unemployment.

Rivlin's case studies of Egypt, Iraq, Jordan, Morocco, the Palestinian Territories, Saudi Arabia, Syria, and Tunisia all present strikingly similar patterns — despite a slow-down in demographic growth throughout the region, the labor force is increasing rapidly because of the change in the age structure of the population. While in other parts of the world similar demographic patterns have often enhanced economic growth, Rivlin finds rigid policies in the Middle East have stifled growth. Underachievement combined with demographic pressure combine to pose serious threats to the political stability of the region.

Of course, these patterns are no secret, and the question immediately arises as to why country after country has allowed them to perpetuate. Rivlin finds a useful concept, and one that is favored by many economists, for understanding the political economy of Arab — equilibrium. Following Hahn, he uses this concept in a broad sense to describe a situation in which self-seeking agents learn nothing new and their behavior becomes routine. “The economy generates messages that do not cause agents to change the theories that they hold or the policies that they follow. Equilibrium implies continuity and this is precisely the point to be made about the Arab economies. Despite changes in policy, ownership and control, ideology and even political rule, there have been strong elements of continuity in their performance” (p. 295).

While this explanation comes close to being a tautology — the major Arab economies are caught in a policy trap because the conditions for escaping the trap are not present — it does provide a fresh approach towards understanding the region's long-standing governance deficiencies and lagging economic reforms. This is a situation and an environment that does not bode well for the future.

Robert Looney, Naval Postgraduate School

MODERN HISTORY AND POLITICS

Backlash 9/11: Middle Eastern and Muslim Americans Respond, by Anny Bakalian and Mehdi Bozorgmehr. Berkeley and Los Angeles, CA: University of California Press, 2009. vii to 252 pages. Appendix to p. 265. Notes to p. 307. Refs. to p. 331. Index to p. 348. \$21.95.

Reviewed by Elaine C. Hagopian

The events of 9/11 generated a set of restrictive legal constructs targeting Middle Eastern and Muslim communities in the United States. The communities already were suffering from the 1996 Antiterrorism and Effective Death Penalty Act. In turn, these laws generated scholarly legal studies critical of them. Until *Backlash 9/11*, there had been no systematic study of the impact of these laws on the affected communities and their responses.

Sociologists Anny Bakalian and Mehdi Bozorgmehr set out to develop conceptual clarity of the phenomenon of backlash and community mobilization. They also introduce religion and ethnicity — neglected by social movements, immigration, and ethnic and racial specialists — as bases for response mobilization. They have succeeded in providing a clearly defined model of backlash and community mobilization, and they have done so in a style accessible to students, researchers, and the general public.

The first chapter defines and develops a model of backlash and spells out the conditions for mobilization. The middle chapters analyze the impact of hate crimes and government initiatives. The final chapters focus on mobilization. The authors define backlash as individual acts of scapegoating and hate crimes, but its repressive nature is most deeply experienced when the state issues laws and takes actions against the affected group(s). In effect, the governmental backlash assumes the targeted group(s) to be potential fifth columnists requiring policies to pre-empt and prevent harm and threats to American society. Potentially, backlash can lead to group(s) mobilization by community-based organizations, as in the 9/11 case.

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Rivlin, Paul. (2009). Arab economies in the twenty-first century. Cambridge ; New York : Cambridge University Press. MLA Citation.

Rivlin, Paul. Summary. "This book examines the relationship between demographic growth and economic development in eight Arab countries. Despite a slowdown in demographic growth, the labor force is increasing rapidly because of the change in the age structure of the population. In other parts of the world, similar developments have enhanced economic growth. In the Arab world, however, many of the opportunities presented by demographic transition are being lost, resulting in serious threats to the political stability of the region. The main reason for this is that the region has missed out on industrial Home. Books. Arab Economies in the Twenty-First Century. Arab Economies in the Twenty-First Century. Arab Economies in the Twenty-First Century. Get access. Rivlin's analysis of the Arab economies is the most thorough and astute available today, offering exceptional insights into the interactions of history, politics, and economics across the region. Rivlin focuses our attention on how the Arab world has squandered the "demographic gift" of a rapidly growing work force and shrinking portion of dependents. 2007. Iraq: Third and Fourth Reviews under the Stand-By Arrangement, Financing Assurances Review, and Requests for Extension of the Arrangements and for Waiver of Nonobservance of a Performance Criterion-Staff Report, 2007. Country Report No. 01/115.