

The Fletcher School of Law and Diplomacy

**DHP P266m01 – THE ISLAMIC WORLD:
POLITICAL ECONOMY AND BUSINESS CONTEXT**

Ibrahim Warde

Monday 1:55 – 3:10 pm

Office: 130 Mugar (Fares Center)

Office hours: Monday 3:15 to 4:30; Tuesday 1:00 to
3:00 pm and by appointment

E-mail: Ibrahim.Warde@tufts.edu

This course aims to explain those aspects of the Islamic world—history, politics, economics, society, legal systems, culture, business practices—that are necessary to understand its political economy and business context. The course should be of special interest to students who seek to conduct business in Islamic countries.

There are some 1.6 billion Muslims worldwide, and over 60 countries have Muslim majorities or pluralities. Despite considerable diversity, there are significant commonalities among countries and clusters of countries. This course will focus on a few countries -- Egypt, Turkey, Iran, Saudi Arabia, the United Arab Emirates (particularly Dubai and Abu Dhabi), Qatar, Malaysia and Pakistan— but will also discuss a variety of issues – economic development, governance, oil, political instability, entrepreneurship, etc. – that are especially significant at this time.

Following a general introduction to the Islamic world and its political economy, the course will focus on a number of economic and business issues, including:

- Egypt: The militarized economy, privatizations and private equity;
- Saudi Arabia: oil and political-economic reform; US-Saudi relations;;
- Dubai, Abu Dhabi and Qatar; Sovereign wealth funds in the Islamic world;
- The Malaysian economic model;
- Islamists business networks in Turkey;
- The Iranian resistance economy;
- Islamic micro-finance in Pakistan;
- Prospects for Arab-Israeli business relations;
- Middle Eastern start-ups.

Each student will have to choose a case study typically involving a specific topic, company, business sector or country. He or she will have to make a 15-20 minute class presentation and write a 10-page paper. The grade for the course will be based on class participation (20 %), a midterm (30 %), a class presentation (20 %) and a final paper (30%).

The following books will be read in their entirety:

- Melani Cammett, Ishac Diwan, Alan Richards, and John Waterbury, *A Political Economy of the Middle East*, Westview Press, 4th Edition 2015.

- Vali Nasr, *The Rise of Islamic Capitalism: Why the New Muslim Middle Class is the Key to Defeating Extremism*, Free Press 2009. (The Hardcover edition of the book was titled *Forces of Fortune: The Rise of the New Muslim Middle Class and What It Will Mean for Our World*).

In addition, weekly readings will be posted on Canvas.

Recommended books:

- Christopher M. Schroeder, *Startup Rising: The Entrepreneurial Revolution: The Entrepreneurial Revolution Remaking the Middle East*, New York: St. Martin's Press 2013.

- Chibli Mallat, *Introduction to Middle Eastern Law*, Oxford University Press 2009.

- Donna Marsh, *Doing Business in the Middle East: A cultural and practical guide for all business professionals*, London: Robinson 2015.

- Nathan Brown, *The Rule of Law in the Arab World: Courts in Egypt and the Gulf*, Cambridge University Press 2007.

- Clement Henry and Robert Springborg, *Globalization and the Politics of Development in the Middle East*, Cambridge University Press, 2nd Edition 2010.

- Marcus Noland and Howard Pack, *The Arab Economies in a Changing World*, New York: Peterson Institute for International Economics, 2nd Edition 2011.

- Bassam Haddad, *Business Networks in Syria: The Political Economy of Authoritarian Resilience*, Stanford University Press 2011.

- Steven Heydemann, *Networks of Privilege in the Middle East: The Politics of Economic Reform Revisited*, New York: Palgrave Macmillan 2005.

- Tarek Osman, *Egypt on the Brink: From the Rise of Nasser to the Fall of Mubarak*, Yale University Press 2011.

- Robert Vitalis, *America's Kingdom: Mythmaking on the Saudi Oil Frontier*, Stanford University Press 2009.

- Aamir Rehman, *Dubai & Co.: Global Strategies for Doing Business in the Gulf States*, New York: McGraw Hill 2007.

- Jim Krane, *City of Gold: Dubai and the Dream of Capitalism*, New York: St. Martin's Press 2009.

- Ahmet Kuru and Alfred Stepan, *Democracy, Islam, and Secularism in Turkey*, Columbia University Press 2012.

- S. Nazim Ali, editor, *Shari'a Compliant Microfinance*, New York: Routledge 2012.

- Rana F. Nejem, *When in the Arab World: An insider's guide to living and working with Arab Culture*, Amman: Yarnu Publications.

Important dates:

- Midterm will be on Monday March 9 in class.

- Papers are due by Monday April 27 at 5pm. They should be e-mailed to the instructor at Ibrahim.Warde@tufts.edu.com and a hard copy should be delivered at the Fares Center.

Readings Schedule:

January 21 (TUESDAY): Introduction to the Political Economy of the Islamic world

- Nasr Chapter 1, "The Power of Commerce"
- Cammett et al., Chapter 1, "Introduction and Framework of the Study," Chapter 2, "Economic Performance and Social Outcomes" and Chapter 3, "Political Regimes in the Middle East."
- Additional Readings on Canvas.

January 27: Political Economy, Globalization and Development

- Cammett et al., Chapter 7, "The Rise and Fall of State-Led Development," and Chapter 8, "Structural Adjustment and the Rise of Crony Capitalism."
- Additional Readings on Canvas.

February 3: Egypt: Private Equity and the Political Economy of Militarism

- Cammett et al., Chapter 10, "War, Conflict, and the Military in the Middle East."
- Nasr, Chapter 4 "The Tragic Failures of Secularism"
- Additional Readings on Canvas.

February 10: Oil: Blessing and Curse; Case Study: Saudi Vision 2030

- Cammett et al., Chapter 9, "The Effects of Oil on Development and the Rise of the Gulf Cooperation Council."
- Nasr, Chapter 6, "The True Course of Fundamentalism."
- Additional Readings on Canvas.

February 19 (WEDNESDAY): Dubai, Abu Dhabi and Qatar – Case Study: Sovereign Wealth Funds

- Nasr, Chapter 2, "The World According to Dubai."
- Ibrahim Warde, "Sovereign Wealth Funds to the Rescue: Are They Saviors, Predators or Dupes?" "Sovereign Wealth Funds and the Politics of Boom and Bust" and "Dubai's Bid for the Guinness Book of Records"
- Additional Readings on Canvas

February 24: Islamist Business Networks in Turkey

- Cammett et al., Chapter 12, "Is Islam the Solution?"
- Nasr, Chapter 9 "The Turkish model"
- Additional Readings on Canvas

March 2: Iran and the Resistance Economy

- Cammett et al., Chapter 4, "The Impact of Demographic Change," and Chapter 5, "Human Capital: Health and Education."

- Nasr, Chapter 5 “The great Islamic revolution”
- Additional Readings on Canvas.

March 9: Midterm

March 23: Non-Middle Eastern Islamic countries – Pakistan and Malaysia

- Nasr, Chapter 8, “Pakistan’s Horror and Hope”
- Ahmed Rashid, *Pakistan on the Brink: The Future of America, Pakistan, and Afghanistan* (recommended)
- Additional Readings on Canvas.

March 30: Entrepreneurship in the Middle East

- Nasr, Chapter 7 “The Prophets of Change”
- Christopher M. Schroeder, *Startup Rising: The Entrepreneurial Revolution: The Entrepreneurial Revolution Remaking the Middle East*
- Additional Readings on Canvas.

April 6: Prospects for Arab-Israeli business relations

- Additional Readings on Canvas.

April 13: Student Presentations

April 27: Review and Conclusions

- Nasr, Chapter 10 “Winning the future”
- Cammett et al., Chapter 13, “Regional and Global Economic Integration,” and Chapter 14, “Conclusion.”
- Additional Readings on Canvas.