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Heydemann, and other political economists. Perthes builds on their arguments, adding voluminous detail and nuanced observations in a highly readable volume suitable for classroom use. His arguments should also provoke considerable debate among scholars wedded to alternative conceptions of Syrian politics. But all entrants to this debate will have to take seriously the evidence he marshals on behalf of his conclusions.


REVIEWED BY CURTIS R. RYAN, Department of Political Science and International Affairs, Mary Washington College, Fredericksburg, Va.

Like many countries, Jordan has been attempting for more than a decade to comply with the norms of an increasingly globalized world economic order, and hence with the norms of the post-industrial states of the North. These norms include privatization, lower tariffs, reduced government subsidies, and a general shift to a free market economy. The process of adjustment, however, has not been easy. Indeed, in the Jordanian case, each round of IMF-directed economic restructuring has triggered rioting throughout the kingdom (particularly in 1989 and 1996).

Yet despite the importance of Jordan in Middle Eastern politics, and the importance of these questions of economic adjustment, there nevertheless remains a dearth of published scholarly research on Jordanian politics—particularly on the political economy of the kingdom. In this short book, Timothy Piro aims to help fill that gap in the literature with a political–economic study of the difficulties of market reform in Jordan.

At the outset (p. vii), Piro poses a clear and important question: why is it that governments that favor privatization and economic adjustment find themselves intervening repeatedly in the economy anyway? Why, in other words, does state behavior actually seem to block the professed goals of state policy? To answer these questions, the author draws on field research, interviews with public- and private-sector officials, and a good deal of Arabic and English documentary source material. This includes extensive research on the “Big Five” public-sector companies in Jordan (cement, phosphates, petroleum, potash, and fertilizers), which are central to any hopes for substantial privatization in the kingdom.

Piro argues (in my view correctly) that privatization and economic adjustment cannot be understood as purely economic processes; they are, rather, deeply political. He therefore makes a strong and welcome case for a political-economy approach to understanding the Jordanian experience as well as that of other developing countries. The author makes a point of placing his case study of Jordan in a global, as well as a Middle Eastern, context. In doing so, he positions his research not only in the realm of area studies, but also in a broader comparative context, with specific references, for example, to Latin America and East Asia (p. 3).

Piro also explicitly recognizes that Jordanian politics from the 1950s to 1999 amounted to more than palace intrigues or the whims of King Hussein. “Examining the process of market reform in Jordan,” he notes in the Preface “uncovers other centers of power beyond the palace” (p. xii). Because it focuses on the Jordanian state and society, rather than solely on the king himself, the study was in no way outdated by the passing of King Hussein and the accession of King Abdullah II. “The state,” for Piro, is neither of the traditional Weberian nor the Marxist type. He sees it neither as a neutral referee between competing interests nor as the captured tool of a dominant social class. In this study, the state is seen as an actor with interests of its own.

Piro’s main argument is that domestic variables, not external or systemic ones, best explain the difficulty of achieving true market reform in Jordan. The author might have explained, however, what he means specifically when he describes the public–private-sector
relationship as “parasitic” (p. 74). On the other hand, his broader conclusion on the same page is crystal clear: Piro rejects explanations for market-reform failure that are based either on global dependence or individual incompetence; rather, he focuses on the politics of domestic political coalitions within the kingdom and sees the failure as rooted in the nature of the link between the state and the economy. He argues that this requires an analysis of the nature of the state itself, which in turn must be traced back to the emergence of Hashemite rule. When Emir Abdullah first extended his power over Transjordan, he presided over a small state and a weak private sector. The state itself therefore expanded and filled the economic void. There has been no time in modern Jordanian history, in short, when the public sector did not outweigh the private sector.

But why is it so difficult to reverse this trend? Piro argues that the key lies in that very process of state formation, and particularly in the extension of patrimonial ties and co-optive links from the state to key domestic coalitions. The act of privatization today thus threatens those same ties, and hence the interests of key coalitions within the government and public-sector industries. One might expect, however, that an economic reformist coalition within the state might then rely more strongly on the private sector. But here Piro notes correctly the extensive overlap between individuals in these sectors. Jordan’s private-sector elites often migrate to public-sector or government posts, or vice versa. In sum, the lines between public and private elites tend to be blurry at best, further hampering the cause of privatization.

It is important to note that in using the term “patrimonial,” Piro is not reverting to cultural determinism. His argument does not turn on explanations of Arab, Islamic, or Asian culture. Rather, he emphasizes the relative lateness of industrialization in Jordan and the nature of state formation from the period of the British Mandate. Thus, to understand why the “interventionist” state continues in Jordan, we must look to its historical development.

But one must then expect the author to take on the cause of market reform itself. He notes that it has become a “panacea,” but leaves us with no real indication of whether he sees that as a good thing or not. Piro’s detailed and methodical account makes clear why market reform can be so elusive. A key normative question, however, remains unanswered: should Jordan, or any other state for that matter, pursue this panacea? Is this an obstacle to be overcome, or a sign that the policy itself is unwise? While the answers remain unclear to these questions, Piro does suggest that Jordan’s pursuit of market reform will continue to be problematic at best. Privatization, he argues, has been watered down to “commercialization,” and thus Jordan appears in many respects to be speaking in neo-liberal terms while pursuing a neo-mercantilist strategy of economic development (p. 90).

For Piro, the domestic constraints appear to be far too great to expect anything more than a kind of state–capitalist model. But that seems only to underscore the adaptability of this political-economy analysis to other regions undergoing similar experiences. Scholars, policy-makers, and would-be economic reformers in Latin America, East Asia, and Eastern Europe, for example, may find useful lessons in this analysis. The book will also be of interest to those concerned with theoretical debates about the nature of the state, strategies of development, and economic adjustment. For students of Jordanian politics, this short, tightly focused book provides a welcome insight into the political economy of the kingdom and to the problems of market reform in the Middle East.


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Islamic Law and Finance is an ambitious undertaking by two scholars in different fields, one in Islamic law and the other in business and finance, to collaborate on a work of Islamic