ABSTRACT

The last ten years have been marked by political economy transformations in the Gulf Cooperation Council (GCC) states. Financialisation has increased, public-private partnerships proliferated, sovereign wealth funds gained prominence, and each Gulf state has acceded to the World Trade Organization. These changes have been instrumental in bringing the region to the forefront of global political economy discourse in capacities beyond the oil market. Not only are Gulf states confronted with a shifting economic architecture, but they are also faced with intensifying policy challenges like rising unemployment among a burgeoning demographic of young labour market entrants. Combined, these factors are challenging the social contract status quo. Whereas many Gulf populations have grown accustomed to the abundantly generous provision of public goods, the economic strain of maintaining these is intensifying. Indeed, Gulf states seem to have reached a threshold of possible change, between clear and delineated structures of their rentier past and the yet uncertain structures of the approaching future. While Gulf economies have decidedly evolved, it remains uncertain whether governance in the region is following suit. This paper suggests that novel forms of governance may be emerging in the region. Pointing toward new phenomena like regional economic policy initiatives and networks, this paper challenges some traditional assumptions of the rentier state literature and seeks alternative explanations to these evolutions. This paper is concerned with development choices, political economy transformations and evolving development model and policy-making processes. It speaks to the interplay of interests and ideas in shaping a country’s policy choices and influencing governance at the local, domestic and regional levels, all of which inform and shape the regions’ global affairs.