

A Widening Gulf

Dialogo fra Nawal Arjini e Adam Hanieh

The United Arab Emirates has invested a lot of money in its appearance: its skyscrapers, which include the tallest in the world; its luxury hotels; its partnerships with prestigious Western universities, from NYU to the Sorbonne. And yet, as the movement of ships through the Strait of Hormuz has slowed, it has become clear once again that the pulse of the UAE remains underground. In “Bottling the World Economy,” Adam Hanieh’s latest essay for the NYR Online, he describes how, as the UAE accumulated extraordinary wealth selling its fossil fuels, it also diversified what it produced from them, expanding into petrochemicals, oil-based plastics, fertilizers derived from natural gas, and other goods that have become crucial to food and industrial production around the world. The Gulf is connected to global supply chains, he writes, “in far deeper and more complex ways than the familiar stereotype of oil wells and tanker routes might suggest.”

A professor at SOAS, University of London, and the author of books including *Crude Capitalism* (2024), Hanieh has written extensively on the formation of the Gulf elite and how they have connected their nations’ political systems with global market forces. Hanieh and I spoke over email this week about the region—its present under bombardment and its future as the climate emergency deepens.

Nawal Arjini: *What brought you to this field of study? How has it changed since you entered it?*

Adam Hanieh: I first came to this field through a long-standing political and intellectual interest in the Middle East that was also deeply shaped by living and working for several years in the West Bank, in Palestine. One of the things that drew me specifically to the Gulf was that it was oddly marginal in how the Middle East was

thought about in the 1990s, even though it was plainly central to the politics and economics of the wider region. If you wanted to understand the nature of capitalism in the Middle East—and related questions of war, migration, finance, or energy—the Gulf was impossible to ignore. Yet the Gulf states were often viewed as simply a collection of wealthy sheikhs or giant oil spigots.

The field has changed a great deal since then. There is a lot of rich and thought-provoking work on capitalism in the Gulf, and a wide recognition that these states are central to the making of the contemporary region and, indeed, to the world economy. It's also extremely important for the Gulf to be taken more seriously when confronting the bigger questions of ecology and the climate emergency.

I think many Westerners think of the UAE as Singapore in the desert—city-states, nodes of the world economy, with an air of being above politics. Your work shows how that is a convenient fiction. Could you talk about the UAE's place in the region?

This image of the UAE is convenient precisely because it strips away the political and economic relationships that have made the country what it is. The UAE is not a city-state but a federation of seven emirates, and its power is structured above all by the dominance of Abu Dhabi and Dubai. Abu Dhabi is the political and strategic center of the federation, and it is also one of the world's most important energy exporters, with oil and gas wealth channeled through the state-run Abu Dhabi National Oil Company. Dubai, by contrast, has built its power through its function as a financial, commercial, and logistical hub. Along with the other Gulf monarchies, the UAE served as a crucial ally first of British imperial interests and later of American power in the wider region. Dubai's global profile is especially important here. As a hub linking Asia, Africa, Europe, and the Middle East, it has given the UAE an outsized place in the world economy. Jebel Ali, the largest man-made harbor in the world, is a critical piece of regional and global infrastructure. It is one of the world's biggest container ports, a major conduit for trade, and also a strategic port for the US Navy. In that sense, logistics, finance, and military power are closely intertwined. The port gives the UAE leverage, and it ties the country tightly to wider geopolitical struggles, especially the projection of American power abroad. Over the past decade the UAE has become increasingly assertive in the region, intervening directly and indirectly in countries like

Yemen, Sudan, and Libya, while expanding its influence across the Red Sea, the Horn of Africa, and throughout the Middle East.

Another thing that is often left out of discussions of the UAE, and of the Gulf more broadly, is the country's heavy reliance on a highly exploited and precarious migrant working class. In every Gulf state, noncitizen migrant workers make up the majority of the labor force. They typically have no meaningful political rights, face major restrictions on labor organizing, and can be detained or deported for participating in strikes or protests. These workers are fundamental to the Gulf's economic model. In that sense, there is indeed a comparison to Singapore—but the Gulf version is harsher and more extreme.

You've written in the past that the politics of the Gulf were slowly converging around the interests of the Saudi-UAE elite. Has the war in Iran fractured or strengthened this consensus?

For a long time, the politics of the Gulf had been orbiting the interests of the Saudi and Emirati leaderships. This war seems to have further hardened the alignment of these states with American power. You can see that in the renewed strategic importance of Gulf security partnerships with Washington, in the push to deepen military coordination after Iranian strikes on Gulf infrastructure, and in the continued significance of Israel-Gulf normalization as part of a wider US-backed regional architecture.

However, it would be a mistake to treat the Gulf as politically homogeneous. The war has clearly shown the weight of Saudi Arabia and the UAE, but it has not eliminated the different calculations of other Gulf states. As we saw on Tuesday, Oman, in particular, has continued to occupy a somewhat distinct position, shaped by its long-standing job of mediating among different interests in the region (including Iran's). The Gulf governments have not all related to the war in the same way.

To what extent do the countries we call Middle Eastern see themselves as more linked to one another than to countries in North Africa or the rest of Asia?

The term "Middle East" has imperial origins, first coined by the British as part of their colonial empire. In that sense, it does tell us something about how the rest of the world views the region (that is, east of the imperial "center"). But like all ways of naming,

the category of the Middle East is one that has been contested and reworked by people within the region itself.

Sometimes I think we can get a bit trapped in these kinds of terminological arguments and lose sight of the connections that actually make regions. Historically, the countries we call Middle Eastern have never been linked only to one another. They have always been globally entangled with not just Europe but also Africa, Asia, and Latin America. Flows of trade, pilgrimage, migration, empire, finance, and political struggle have tied these places together for centuries. That is especially clear today in the Gulf, where the working class is largely South Asian, trade is primarily with China and East Asia, and flows of capital connect financial markets from Dubai to London, Mumbai, Singapore, and Hong Kong. Rather than treating “the Middle East” as either a purely Western invention or a self-evident, neatly sealed container, it makes more sense to see it as a political and historical formation whose boundaries are always porous, contested, and remade through movements of capital, labor, and ideas.

In the popular imagination, the “green transition” refers mainly to energy—replacing coal with solar, for example—but in your essay you detail the enormous importance of fossil fuel byproducts to not just the infrastructure of clean energy (electric vehicle batteries, etc.) but the global food supply, via natural gas–derived fertilizers. To what extent have governments been preparing to adapt these supply chains to a greener economy?

Most governments have treated the “green transition” as simply an electricity and transport question that can be solved through greater use of renewables and more EVs. They have been much slower to confront the fact that fossil fuels are also embedded in fertilizers, plastics, chemicals, and all the industrial feedstocks that structure everyday life. Petrochemicals are one of the biggest drivers of oil demand growth, which the International Energy Agency (IEA) expects to account for more than half of oil demand growth in 2026.

This is especially clear with fertilizers. Modern ammonia production remains heavily dependent on fossil fuels, above all natural gas, and the IEA’s ammonia roadmap makes clear that right now output keeps growing while emissions fall far too slowly. There might be some pilot projects and industrial decarbonization plans, but there is

no systematic remaking of the supply chains that support food production. This is clearly unsustainable.

How would a transition away from oil and gas change the political economy of the Gulf states?

A genuine global transition away from oil and gas would transform the Gulf states at the deepest level of their political economy, because hydrocarbons underpin state revenues, business structures, subsidy regimes, sovereign wealth accumulation, and the Gulf's place in global capitalism. But I don't think that transition is anywhere near to taking place. Last year saw the largest consumption of oil, gas, and coal in history. We're not moving away from hydrocarbons—rather, renewables are expanding while fossil fuel use continues to rise in absolute terms.

The Gulf demonstrates this reality very clearly. All the Gulf national oil companies are planning to expand their extraction and exportation of hydrocarbons in the coming years. As the Saudi oil minister put it a few years ago, “every molecule of hydrocarbon will come out.” At the same time, they are rapidly expanding their domestic renewable sectors so that they can export even more oil and gas, rather than burning it at home for electricity.

In your estimation, how is the war changing the demand for fossil fuels around the world?

Historically, there is a deep connection between militarism and the consumption of fossil fuels—and thus carbon emissions. There was a very alarming study released by the Climate and Community Institute a few weeks into the war that estimated that the first fourteen days of the conflict generated around five million tons of CO₂ equivalent, roughly comparable to Iceland's annual emissions. Yet despite the obvious link between our fossil fuel-centered world and war, governments seem to be drawing exactly the wrong lessons. The immediate policy instinct has been to double down on fossil fuel production by securing and protecting domestic supplies, seeking additional reserves abroad, and accelerating environmental deregulation. So unfortunately I think the war—and the broader drive for militarization and rearmament—is likely to deepen fossil fuel dependence worldwide. There may be a temporary fall in consumption if the

war triggers a sharp contraction in the world economy, but that would reflect a temporary crisis, not a real energy transition.

As capitalism in the US becomes increasingly authoritarian, are there lessons to be drawn from authoritarian capitalism in the Middle East? How resilient do you think these regimes are right now, or is that all up in the air as the war continues?

I think one very salient lesson is that authoritarianism should never be treated as a purely political phenomenon, as though it were simply a matter of strong rulers, weak institutions, or some supposed cultural predisposition. The old language of Middle East “exceptionalism” was always misleading for exactly that reason. It ignored the ways that authoritarian rule was bound up with the political economy of capitalism in the Middle East, and the sustained Western support for regimes seen as useful to American and European power.

The current moment—globally, not just in the US—makes clear that authoritarian political rule was never a uniquely Middle Eastern pathology. It can’t be separated from extreme inequality and social polarization, and the deployment of state violence to manage social crises. This is especially significant when there is a widespread erosion of the political legitimacy of rulers and parties, which is again a feature of many states across the world today.

But the Middle East also offers lessons in how authoritarian regimes can quickly become vulnerable. The regional uprisings of 2011 shattered the fantasy that these authoritarian rulers were immovable, and another wave of protests in 2018 and 2019 showed again the possibility of deep social and political mobilization in countries that appeared to be stable. Authoritarian regimes always look immensely powerful up until the point they do not. Their resilience depends on their capacity to manage and contain dissent. When that weakens, openings appear very quickly. That is as true in the United States as it is in the Middle East, even if the institutional forms differ.