The author draws on an interesting theoretical mix of constructivist ideas as well as critical political economy and critical security studies. The empirics of the book are based on qualitative field research and an extensive array of interviews (in Jordan, Belgium, and the US), and the attention to ethnographic detail includes ample quotations from democracy promoters and their critics, which provides an engaging narrative structure too rare in much of political science.

Schuetze's conclusions are stark and sure to provoke debates about democracy promotion. He argues, for example, that "external efforts at 'democracy promotion' in Jordan are part of a wider strategy of authoritarian upgrading" and that "the paternal hands of the US and European 'democracy promoters' have never been behind any meaningful challenges to authoritarian rule in the country in the past, and nor are they likely to be in the future" (p. 218). This book will add to important debates about democracy promotion but also to studies of the correlation between neoliberal policies and authoritarianism. Very importantly, this study also draws on, and adds to, the growing and innovative literature on critical security studies. Students of Jordanian politics will find it a must-read on topics from political liberalization to civil society to economic development and securitization. But the book's relevance to debates about democracy promotion extends far beyond Jordan, to other Middle East countries and elsewhere across the Global south.

Curtis R. Ryan, Professor of Political Science, Appalachian State University

LEBANON

Banking on the State: The Financial Foundations of Lebanon, by Hicham Safieddine. Stanford, CA: Stanford University Press, 2019. 253 pages. $30.

Reviewed by Clement M. Henry

As some in Lebanon may prepare to celebrate the country's first century (1920–2020), this study of its financial foundations is not only a brilliant rewriting of history but also timely and prescient. The recent run on Lebanese banks may be turning the so-called foundations into quicksand. Author Hicham Safieddine warned that these foundations' underlying "mercantile-financial interests" render them vulnerable to financial risk. Indeed, an elite set of bankers has been extracting the profits from an exchange rate fixed to the dollar since 1997. They converted dollars to Lebanese pounds and lent them to the state at higher interest rates than their dollars could earn, with the assurance that they could be reconverted to dollars without loss. "Banking on the State" — its ballooning public debt — became unsustainable once remittances and Gulf petrodollars could no longer keep expanding the pyramid scheme.

Writing shortly before the latest collapse, Safieddine traces Lebanese banking from its Ottoman origins through the mandate period to the emergence of independent Lebanon and, eventually, to the creation of Banque du Liban (BDL), its central bank. He documents the intimate connections between the bankers and the very concept of Lebanon as a state. Unlike other classic accounts of the merchant republic, he focuses on bankers rather than on broader social groups of the commercial community, such as traders or entrepreneurs. Safieddine shows how bankers' vested interests in trade finance shaped "the engineering of monetary space formation, a key component of the construction of heteronomous national economies" (p. 20).

Unlike their Syrian counterparts, Lebanese bankers pushed back against any substantive regulation until the formation of the BDL in 1964. Even then, it took the major financial crisis following the collapse of Intra Bank in 1966 for their Association of Banks in Lebanon (*Association des Banques du Liban*, ABL), founded in 1959 to defend the Banking Secrecy Act of 1956, to accept a Banking Control Commission in 1967. Safieddine argues that Lebanese bankers' shortsighted laissez-faire led them, in 1948, to extend the concession of the Banque de Syrie et du Liban (BSL) to print Lebanese money, a concession viewed as neocolonialism by their Syrian counterparts. Previously, bankers had preferred foreign currency or gold, even old Turkish gold coins, for their lucrative private sector financing, while reserving the legal currency issued by the BSL for public sector transactions. The Lebanese decision to keep the BSL as the bank of issue resulted in an overvalued Lebanese lira to encourage French imports and presaged the end of the Syrian-Lebanese customs union in 1949.

As oil revenues flooded Lebanon, American, and Gulf Arab banking interests weaned the ABL from its dependence on French business to support some regulation being promoted by international financial institutions, resulting in a "tense alliance" in Lebanon between bankers and "Chehabists," the supporters of President Fuad Chehab (1958–64) who advocated administrative reform. Generations of "money doctors" from the American University of Beirut helped to engineer new monetary spaces and indeed, in an institute attached to its economics department, literally to operationalize the Lebanese state by generating Lebanese rather than combined BSL statistics. These money doctors developed blueprints for the central bank, which inherited and developed these statistics. So it was that in 1964, 21 years after Lebanon's theoretical independence, the BDL represented full Lebanese economic independence, although Safieddine also insists that Lebanon still remained structurally dependent, this time on American financial hegemony.

The collapse of Intra Bank in 1966 endangered the entire financial edifice. Safieddine devotes a full chapter to objectively explaining the various interpretations and conspiracy theories associated with its collapse. Safieddine concludes that much fault laid with the bank's founder, Yusuf Baydas, a Christian who was half Lebanese, but that his unprofessional business practices, so common among Lebanese bankers, did not justify the BDL's inattention to his needs. A Lebanese court arbitrarily ruled that the bank was bankrupt although Price Waterhouse was dismissed before completing an audit that seemed to be indicating that the bank was solvent and simply suffering a liquidity squeeze. Towering over other Lebanese banks, it had antagonized them; and Baydas, half Palestinian, did not socially fit in with the leading coterie of bankers attended to by the BDL.

Safieddine also deals with the reorganization of Intra into a financial investment company under the supervision of Kidder Peabody, the New York financial consulting company, and its Geneva "point man," Roger Tamraz, deemed by the author to be part of an American "supranational policy network." Tamraz would subsequently become a "monetary warlord" serving President Amine Gemayel (1982–88), but the full extent of his problematic management, including running another major bank to the ground after JP Morgan divested its shares to Intra's successor company, is not disclosed in this book.

During the years of Lebanon's uncivil war (1975–89), its banking system survived, and the BDL "kept the very idea of a viable, stable, independent Lebanon alive' (p. 175). The bank's governor became president of Lebanon, and the head of its Banking Control Commission the prime minister (1976–80); a pattern for prime ministers to be repeated in 2005–9 with another former bank supervisor. While Safieddine devotes relatively little space to the war or subsequent years, he points to the BDL's continuing significance. US ambassador Jeffrey Feltman chose to reside inside the bank in order to protect it from Israeli bombs in 2006 (p. 176). Rescuing it from financial ruin will involve far more complex policy choices which, the author concludes, must take full account of Lebanon's uneven economic structure and become "an ongoing process of constructing state-embedded regulatory regimes . . . neither subject to the dictates of international financial institutions nor subordinate to private banker power" (p. 180).

Clement M. Henry, Emeritus, University of Texas at Austin