

Book Review

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Understanding Contexts of Business in Western Asia: Land of Bazaars and High-Tech Booms

by: Léo-Paul Dana, Aidin Salamzadeh, Veland Ramadani and Ramo Palalić (Eds.)

Publisher 2022

**by World Scientific Publishing Co. Pte. Ltd.,
5 Toh Tuck Link, 596224, Singapore, 572pp**

ISBN: 978-981-122-968-8

Western Asia, often known as the Middle East, is a region of considerable geopolitical and economic importance. It is the cradle of ancient civilisations and the great monotheistic religions such as Judaism, Christianity, Islam and Zoroastrianism. Historically, the region has been a crucial trade hub, not least thanks to the trade routes that connected Europe, Africa, and Asia like the Silk Road. This strategic position has fostered cultural interactions and the dissemination of technologies and ideas. The business landscape is shaped by several key factors:

- **Geopolitical dynamism:** The region is experiencing rapid changes in relations between countries. For example, the recent rapprochement between Saudi Arabia and Iran, as well as the normalisation of relations between some Arab countries and Israel, have created new business opportunities. Companies must stay informed of these developments to adapt their strategies.
- **Economic transition:** Many countries in the region are looking to diversify their economies beyond oil and gas. This transition creates opportunities in sectors such as technology, renewable energy and tourism.
- **Cultural influence:** Business practices in Western Asia are heavily influenced by local culture and traditions. Personal relationships and trust play a crucial role in business.
- **Evolving regulatory framework:** Governments in the region are implementing reforms to attract foreign investment; however, regulations can vary greatly from country to country.
- **Regional tensions:** Despite recent diplomatic progress, the region remains marked by conflict and tension. Companies need to be aware of geopolitical risks and take steps to mitigate them.

- Growing importance of sustainability: With the awareness of environmental challenges, many countries in the region are investing in sustainable projects, creating new business opportunities.
- Digitalisation: The region is witnessing rapid adoption of digital technologies, opening up new avenues for innovation and entrepreneurship.

To succeed in Western Asia, companies need to take a flexible and nuanced approach. It is crucial to develop a deep understanding of the local specificities of each market, cultivate strong relationships with local partners, and stay on top of political and economic changes (source: the great continent)

The collected *Understanding the Contexts of Business in Western Asia* is an outstanding contribution to the academic discipline of international affairs, especially in the unique socio-economic and cultural context of Western Asia. Edited by the researchers Léo-Paul Dana, Aidin Salamzadeh, Veland Ramadani and Ramo Palalić, this comprehensive volume incorporates original research from a diverse group of contributors, offering an in-depth exploration of business contexts in a region often overshadowed by conflict in mainstream narratives.

Professor S. Tamer Cavusgil's foreword lays a compelling framework, highlighting the need to understand the distinct business models and mechanisms shaped by the region's unique context. Next, the editors provide a robust introduction that situates the reader in the historical and cultural landscapes influencing business practices in Western Asia, offering a unique and fascinating aspect of Western Asia is its bazaar economy. Bazaars are traditional markets where transactions are based on trust, negotiation and interpersonal relationships. Unlike Western markets, which are often focused on formal transactions and regulated by legal contracts, bazaars operate on informal networks of trust and reputation. This bazaar economy, which has its origins in Persia, has been adopted and adapted by the different peoples and cultures of the region, creating a vibrant and resilient business environment.

The book is meticulously organised into 14 sections, each dedicated to a specific region or thematic element relevant to understanding business environments in Western Asia. The volume begins with an overview of historical economic contexts, setting the stage for more detailed case studies. Each section of parts 2 through 13 focuses on different successor states of historical empires or on distinct national contexts, providing a nuanced understanding of trading environments. The final section, 'A new paradigm', examines emerging economies in the context of globalised business practices and technological advances. Chapter 14, for example, discusses the integration of traditional bazaar elements with modern economic strategies, offering a fresh perspective on how ancient practices adapt to the global economy.

In order to better understand the commercial context that we have and the issues related to business in Western Asia that this book exposes to us, I propose to structure an analysis of one of the sections of the book. This analysis is an example among the thirteenth sections studied by the authors. In a cultural context, it is important to note that the facts reported in this book for one country are not valid for countries on the same continent.

In this analysis, we will focus on chapter 13, 'The context for business in the United Arab Emirates'. The United Arab Emirates (UAE), a rapidly developing country that is much talked about because of its business opportunities, is a good example to analyse.

Chapter 23 of the book discusses the context of doing business in the UAE, a regional leader in attracting foreign direct investment (FDI) and supporting international business growth. This chapter presents a historical overview of the UAE, analyses business development, and examines the implications for doing business in the UAE by comparing it to other countries in the region. The chapter concludes by considering the future of the UAE as a reference country for the development of international affairs in the coming decades.

The UAE is an important geostrategic and economic player in the Western Asia region, including the Middle East and the Gulf countries. They are also one of the richest countries in the world in terms of economic size relative to population. Located on the Arabian Peninsula, the UAE is bordered by the Persian Gulf to the north and west, and the Indian Ocean to the east. They share maritime borders with Qatar and land borders with Saudi Arabia and the Sultanate of Oman.

Historically, bazaars or souks have played a significant role in the economic development of the UAE. These traditional markets were places of meeting and trade, influenced by trade with South Asian countries such as India. The importance of the bazaars persisted even after the discovery and exploitation of oil in the 1960s, which put the UAE on the global economic stage. The UAE is distinguished by its unique federal structure, consisting of seven emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Fujairah, um Al Quwain, and Ras Al Khaimah. Each emirate retains a certain autonomy while contributing to national unity. The discovery of oil in the emirates of Abu Dhabi, Dubai and Sharjah has been a key factor in the UAE's rapid economic transformation. The country has experienced significant economic growth over the past decade, with an average increase in GDP of more than 5% per year between 2011 and 2015. In 2019, the Emirati economy was valued at more than \$421 billion, up from about \$350 billion in 2011. The attraction of FDI has also played a crucial role in this growth, with the UAE attracting nearly \$14 billion in FDI in 2019.

The UAE tops regional rankings in terms of various economic indices. The country outperformed its neighbours in the World Bank's Doing Business Index, illustrating a business-friendly environment and effective regulation. Moreover, the UAE ranks first in the corruption perceptions index (CPI) in the region, with a very low perception of corruption compared to other countries in the world. The UAE enjoys a great deal of political stability, making it a safe haven for investors in the Middle East region. The recent improvement in relations with Iran and the position of neutrality adopted in some international conflicts strengthen the UAE's role as a regional hub for trade and business. Coface score: A3 in country risk and A2 in business climate

The chapter also highlights the challenges and opportunities facing the UAE. The country has experienced significant economic growth over the past decade, with an average increase in GDP of more than 5% per year between 2011 and 2015. In 2019, the Emirati economy was valued at more than \$421 billion, up from about \$350 billion in 2011. The attraction of FDI has also played a crucial role in this growth, with the UAE attracting nearly \$14 billion in FDI in 2019. The UAE tops regional rankings in terms of various economic indices. The country outperformed its neighbours in the World Bank's Doing Business Index, illustrating a business-friendly environment and effective regulation. Free zones play a key role in attracting foreign investment to the UAE. Today, the country has more than 40 free zones, allowing 100% foreign ownership of companies and facilitating the procedures for establishing international companies. These zones are mainly located in Abu Dhabi and Dubai, with each zone managed by an independent

authority responsible for licensing and business support. Although the UAE has undertaken significant efforts to diversify its economy, dependence on oil revenues remains a major challenge. Fluctuations in oil prices can have a substantial impact on the national economy. The UAE Government is working to reduce this dependence by investing in non-oil sectors, but the full transition to a diversified economy requires time and ongoing effort.

The book *Understanding Contexts of Business in Western Asia: Land of Bazaars and High-Tech Booms* is an invaluable resource for academics, practitioners, and policymakers interested in understanding the complex dynamics of business in the Western Asian region. Each chapter, including Chapter 23 on the business context in the UAE, makes a significant contribution to understanding the cultural, economic, and political peculiarities that shape the business environments of this diverse and storied region. Chapter 23, in particular, offers an in-depth analysis of the UAE, highlighting its political stability, growing economic diversity, and business-friendly environment. It also highlights the persistent challenges facing the country, while highlighting the many opportunities available to international investors and companies. The UAE stands out for its ability to balance tradition and modernity, integrating elements of its historic bazaars into a rapidly changing global economy. Political stability and strategic geopolitical relations strengthen their position as a regional hub for trade and business. Economic diversification efforts, supported by favourable foreign investment policies and ambitious development projects, illustrate the UAE's progressive vision for its economic future. This chapter, like the rest of the book, clearly demonstrates the importance of understanding the local context for success in international business. The authors and editors have managed to compile a collection of analyses and case studies that not only enrich the academic literature but also provide practical insights for business professionals.