

Which Oligarchs May See Israel-Hamas War As An Opportunity?

Published

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Israeli artillery firing at Gaza from within Israel on Tuesday. Gil Cohen-Magen/AFP via Getty Images

As the war between Israel and Hamas evolves, we have been thinking about Doctor Zhivago, Boris Pasternak's war novel that reveals a central truth: Oligarchs benefit from war.

In the novel, Viktor Ippolitovitch Komarovsky is a wily, disreputable lawyer and businessman with clear but dimly understood power in pre-revolutionary Russia. As the country descends into the chaos of civil war, Komarovsky is the ultimate survivor, securing a ministerial post in an abortive Far Eastern republic. He also becomes an oligarch.

Oligarchs are economic and political actors who gain wealth or power, then use one to acquire the other. We are living in the spring of the oligarchs, with our research pointing to 23 who are currently serving as heads of state or government in important economies like Russia (Vladimir Putin) and Saudi Arabia (Mohammed bin Salman, known as MbS). Other oligarchs shape agendas through their political contributions, such as Naguib Sawiris did when he founded the Free Egyptians Party after the 2011 revolution. Still others shape the ways in which we think and act, as Elon Musk has done since acquiring X (formerly Twitter).

The Greater Middle East has been rife with oligarchs since at least the end of World War II. In our recent book, *The Oligarchs' Grip*, we discuss two of them: Muhammad bin Laden and Rafic Hariri. Bin Laden, Osama's father, built one of Saudi Arabia's largest construction firms and also helped finance the Saudi government when it had trouble paying its bills. Hariri made his fortune in Saudi construction, too, but gained power and more wealth as Lebanon's prime minister following the end of that country's civil war.

Israel and Palestine have their oligarchs, too. For example, Israeli billionaire Stef Wertheimer has been active in founding two centrist political parties and served in the Knesset. Munib al-Masri made much of his initial fortune in oil and gas and has worked to bring peace between Palestinians and Israelis.

When we look at the war taking place in Gaza, though, our minds are not so much on Israeli or Palestinian oligarchs. They seem unlikely to benefit from this war to any significant extent. Instead, the oligarchs who are likely to gain are further afield.

Let's start next door, to the north, in Lebanon. Najib Mikati, that country's three-time prime minister and a leading oligarch, appears to be using the war to build his power by pushing a regional peace plan, which better positions himself against Lebanon's leading power, Hezbollah. (Two other Lebanese oligarchs — the late Rafic Hariri and his son, Saad — have also served as prime minister, making that country one of the most oligarch-friendly in the post-World War II era.) Meanwhile, Putin is eyeing potential political advantages from the war in Gaza, but Russia's direct interest in the conflict zone remains Syria, itself full of oligarchs such as Rami Makhoul, pinned down in the long shadow of his cousin, President Bashar al-Assad.

To the south, in Egypt, the war's instability and the possible exodus of Gazans to the Sinai may open up extraordinary wealth-generating opportunities for Egyptian oligarchs close to President Abdel Fattah el-Sisi, who is himself an oligarch of substantial decision-making power and a net worth we estimate between \$100 million and \$1 billion. To the east, a number of Jordanian oligarchs cluster around banking interests which might benefit from a flight to financial safety as the war progresses. But that depends on whether unrest spreads further, which itself would create new opportunities for a new generation of oligarchs not yet on the scene.

Perhaps the largest potential beneficiary of the war is a bit further removed: MbS. One of the world's most dangerous and consequential oligarchs at present, he has positioned himself as the nexus of the Greater Middle East. He is situated between Iran, Israel, China, Russia, Turkey and the U.S. in a way that maximizes his opportunities and, hence, both his global decision-making and agenda-setting powers and future wealth generation. The Saudi royal family's more than \$1 trillion net worth can still grow, and MbS now controls the bulk of that wealth.

Near Saudi Arabia, and being more closely linked to Iran, Qatar's oligarchs (for example, Tamin bin Hamad al Thani, the current Emir) have fewer opportunities to enhance their wealth and power unless the "axis of resistance" rescrambles the conflict.

Like MbS, Turkey's oligarch president, Recep Tayyip Erdoğan, occupies a key position that he has increasingly exploited since Russia's war in Ukraine intensified in 2022. He has also taken a hardline anti-Israel stance since Oct. 7. He remains very well-positioned to further enhance his wealth and power.

Further afield, North Africa's oligarchs have stayed out of the Israel-Hamas war so far. Aziz Akhannouch, Morocco's prime minister, is navigating his relationship with the country's uber-oligarch, King Mohammed VI, even as his family continues to build its wealth. Morocco has played a supporting role in the oligarch Putin's Ukraine war.

The oligarchs of the Greater Middle East are well-positioned to benefit from the instability resulting from this war. The course of the war is unpredictable. Yet, the model we've developed suggests the following: First, instability creates opportunity for oligarchs; ceasefires create stability and, therefore, reduce opportunity to expand wealth and power. Even ground incursions executed

according to plan provide some stability. Unfortunately, oligarchs can benefit more from the opportunities brought on by chaos — unexpected terrorist attacks, new actors entering the conflict, existing actors doing unexpected things. Oligarchs can thrive on uncertainty.

Second, oligarchs are likely to seek new “friends with benefits,” perhaps in unexpected quarters. Count on Israeli oligarchs seeking temporary alliances with Palestinian and Iranian ones, as impossible as that might seem.

Third, expect oligarchs to wait an extra beat before making any big moves to gain further wealth and power. This is something we learned from Mikhail Fridman, the sanctioned Russian oligarch who delayed his big move to accumulate wealth until later than his peers.

And fourth, none of these moves are likely to be visible to the rest of us. Don't expect to read about them on social media or news outlets. They will surprise us.

Just as Doctor Zhivago's Komarovsky did, today's oligarchs will relentlessly ping the system, often looking for openings amid the smoke and chaos of war. Many will emerge from this conflict wealthier and more powerful than before. You might not be interested in the latest war, but many oligarchs certainly are.

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