REPUBLIC OF TURKEY YILDIZ TECHNICAL UNIVERSITY GRADUATE SCHOOL OF SOCIAL SCIENCE POLITICAL SCIENCE AND INTERNATIONAL RELATIONS **MASTER PROGRAM**

M.A. THESIS

ENERGY-SECURITY NEXUS IN THE GULF

Submitted to the Institute on: 13.04.2018

Defended on: 16.03.2018

Thesis is found successful by plurality

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ÖZ

KÖRFEZ'DEKİ ENERJİ – GÜVENLİK BAĞLANTISI

Muhittin Ahmedoğlu Ocak 2018

Hayatın neredeyse tümüyle petrol ihracatına ve gelirlerine bağlı olduğu körfez ülkelerin, öncelikle 1. Dünya savaşı öncesi konumu gereği daha sonra da sahip olduğu doğal kaynaklar sebebi ile global güçlerin odak noktası olmuştur. Petrol ve ürünlerinden başka, katma değer oluşturabilecek hiçbir üretimin olmadığı söz konusu bu altı ülkenin (BAE, S.Arabistan, Katar, Kuveyt, Umman, Bahrain) bir alt bölgesel güvenlik kalkanına ihtiyaçlarının olduğu gerek Britanya imparatorluğu döneminde, gerekse de Amerika'nın bölge üzerinde hakimiyet kurmaya başlaması ile ortaya çıkmıştır. Bu bağlamda söz konusu çalışma enerji-güvenlik bağlantısında petrolün oynadığı önemli rolü bu ülkelerin verimli şekilde kullanıp kullanmadığı, Dünya petrol rezervlerinin neredeyse %65.5'ini ihtiva eden bu ülkeler için petrolün nasıl bir kalkan oluşturduğunu açıklamaya çalışmaktadır. Aynı zamanda çalışma, son derece önemli bir stratejik hammadde olan petrolün ve bundan elde edilen büyük gelirlerin körfez güvenliğinin, yanlızca ekonomi politiğini değil bununla birlikte bağımlılığı ve buradaki rant sistemini incelemeye alıp, demokratik olmayan fakat içeride rejim kaygısı dolayısıyla bağımsızlıklarından feragat etmiş rantiye devletlerin ve kurmuş oldukları Körfez İşbirliği Konseyi'nin, Amerikan çıkarlarının aksine bir politikayı da sürdüremeyeceğini ortaya koymaktadır.

Anahtar Kelimeler: Petrol serveti, Körfez İşbirliği Konseyi, Güvenlik, Ekonomi politik, Rantiye Devlet, Bağımlılık

ABSTRACT

TITLE OF THE THESIS Muhittin Ahmedoğlu January 2018

Gulf countries, whose life is almost entirely dependent on oil exports and revenues, have been the focus of global powers, in the first place due to their strategic focal position and later on because of its rich natural resources. Lack of value added productions, but oil and oil products in these six countries, (UAE, S.Arabia, Kuwait, Bahrain, Qatar and Oman) necessity of a sub-regional security shield not only has come out during British Empire stage but also in the beginning of the American' hegomony that has commenced on the region. In this context, the subject study will try to explain and expose whether these countries using the crucial role of oil in the energy-security nexus efficiently or not and how the oil is being a shield for these countries who are consisting 65.5% of the World reserves. At the same time the study, will try to examine that very strategic raw material the oil and the vast amount of income acquired from it that has been used in the Gulf security and will be considering not only the Political Economy but also Dependency and Rentierism in these undemocratic states, who waive of their sovereignity due to for sake of their regime, and it reveals also that the Gulf Cooperation Council they have found not able to implement policies that arent against to American insterests.

Key Words: Oil Wealth, GCC Countries, Political Economy, Rentierism, Dependency, Security

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THESIS SUPERVISOR Prof. Dr. CENGİZ ÇAĞLA

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ACKNOWLEDGMENT

I wish to express my deepest gratitude to my supervisor Prof. Dr. Cengiz ÇAĞLA for his guidance, advice, criticism, encouragements and insight throughout the writing this thesis. I would also like to thank to my previous advisor Asst. Prof. Dr. Burak ÜLMAN for his comprehensive postgraduate course, which helped me get through the complex phenomenon of Oil wars. Moreover, I would like to express my gratitude again to Prof. Dr. Cengiz ÇAĞLA for his fruitful criticisms and substantial comments about this thesis.

I would also like to thank my parents, Yüsra AHMEDOĞLU and Ekrem AHMEDOĞLU, who gave me the courage to further develop this thesis, with their intellectual insights. Not only my parents but also my older sister Hacer AHMEDOĞLU who assisted by leaving me home alone to work on this thesis for that, I really would like to thank her too.

Furthermore, I appreciate the whole-hearted efforts of especially my dear fiancé Havvanur CÜRE, I thank to my manager at work Emre BİRGEN (letting me from time to time have rest on this thesis) and my best friend Dr. Hakan MEHMETCİK who assisted me during my critical times. Last, but not the least, I would like to thank my dearest lord ALLAH Subhanavataala for letting these people be in my life and finalize the thesis before January.

Istanbul, January, 2018

Muhittin AHMEDOĞLU

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ABBREVIATIONS

GCC: Gulf Cooperation Council

ARAMCO: Arab – American Petroleum Company

APOC: Anglo – Persian Oil Company

APAC: Asian – Pasific Countries

KOP: Kuwait Oil Company

KNPC: Kuwait National Petroleum Company

KPI: Kuwait Petroleum International

KUFPEC: Kuwait Foreign Petroleum Exploration Company

PIC: Petrochemical International Company

PDO: Petroleum Development of Oman

ICJ: International Court of Justice

BAPCO: Bahrain Petroleum Company

CENTCOM: US Central Command

UAE: United Arab Emirates

EIA: US Energy Information Administration

OPEC: Organization for Oil Exporting Countries

ACC: Arab Cooperation Council

1. INTRODUCTION

As one of the main resources of energy, oil is an essential factor that shape policies of the Middle East countries and rest of the world. However, the Middle East has been exposed to many of the invasions, divided and then has been shared by pioneering powers of post 1st World War. Considering region's underground resources, the Middle East will continue to be the focus of wars, conflicts and contested issues on the current decades. Due to insufficient oil reserves in rest of the world, drive the region's position to a vital level. So that, the vitality of, particularly, Gulf region has an important position in terms of world's political economy and its security structure.

If it is necessary to talk about some statistical measures, proven oil reserve of the world is 1,5 trillion barrels, and more than 788,2 billion barrels of it, are reserved in the Arabian Gulf. (Opec, 2016) Consequently, more than half of the world's reserves exists in this region. Previously 40% of the oil reserves and around %23 of natural gas reserves used to exist in Gulf according to previous information. (Faris, 2010) But now, notwithstanding whole Middle East reserves, according to Diplomatic Center for Strategic Studies in Kuwait, out of this amount, GCC¹'s reserves has increased to 65.5% (TAHA, 2012) GCC country – wise, Saudi Arabia retains 38.7 percent of world oil reserves whereas shares of Kuwait, the United Arab Emirates (UAE) and Qatar stand at 14.8 percent, 14.3 percent and 3.7 percent respectively. With regards to World gas reserves, Qatar ranks the third globally at 12.3 % percent after Iran (16.59%) and Russia (24.59%) respectively (Enerjiatlası, 2016) From this perspective – in conjunction with improvement of technology – proven oil and gas reserves are enhancing almost each decade. In this context, considering all these precious reserves, authority of GCC countries wouldn't be left, of course, in hand of these nations. In this frame, those who ever willing to control or access to these oil reserves alone or via global powers must have bases on the Arabian Gulf region.

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¹ Gulf Cooperation Council: which has found in 1981 in Saudi Arabia, consisting of six arab nations (S.Arabia, UAE, Bahrain, Qatar, Kuwait and Oman)

Consequently, it is really hard to see oil as an ordinary and normal trade good, since it is one of the vital sources of energy commonly known that, oil is on the condition of a basic need to sustain industrialization of developed industrial countries. Hence, we need to evaluate this raw material as a factor of strength, opportunity and wealth. As oil could be a source of energy and security for countries, it could also be a curse and, so to speak, a headache; like what it has taken place in Libya and Iraq in the last decade.

Therefore in national security plans or directly having access to oil resources, or if this is not the case, having possibility of accessing securely to these reserves is vital for any country. However, measurement of strategic importance of oil for countries could be different. For example the following factors might determine the importance of subject resources: Alternative security or energy sources, demands for these sources, easy to reach it, and the level of its effect on country's national economy. In this context, it is not going to be exaggerated by saying that oil is going to be one of the main mean that manipulate or guide the political actors' manoeuvre and the wide range of economical and military decision on be half of security. If it could be given a simple example of a statement about the issue, it could be picked a citation of Robert E. Hunter's interview who is a renowned expert on international security affairs, a senior analyst at Rand² Corporation, and a former U.S. Ambassador in NATO and a member of the International Advisory Board of the World Security Network Foundation. In his recent book, "Building security in the Persian Gulf" he undertakes an ambitious attempt to paint the big picture of a possible future for this region (Farwick, 2012), once he was asked "what are your main aims and objectives in developing a new security architecture for the Arabian *Gulf?* "and his approach to this question was:

'It is clear that the United States will continue to have critical interests in the Middle East, particularly in the region of the Gulf; and it will have no choice but to remain deeply engaged. However, it is less clear that the American people will be prepared to sustain, for the indefinite future, the kinds of costs we are now incurring in terms of blood, treasure, and opportunities foregone elsewhere in the world. I thus believe we need to find other means of securing our interests, at lower costs and with a greater chance both of meeting our needs and of meriting popular support at home.'

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² It is one of the most recognized and old Research and Development Institution in USA that had been found in 1948. For more information you can see the following link https://www.rand.org

Such a statement (even though wish the optimism, at the beginning confess the reality for oil) indicates the vitality of oil and its security nexus in the Gulf Region for both who devote themselves for oil (USA and West) and for those whose territory owned by Gulfian Arabs. Here actually USA absolutely gives in direct guarantee for Gulf nations security in terms of nucluer guarantee, formal security guarantee, being in and near the region, and bolstering regional denfence. (Hunter, 2010, p. 57-63)

Furthermore, if another example is to be given, as it will be recalled that oil embargo during 1970s created irreversible affect in Japan as well as other part of the world. When Japan's unilateral dependency of oil combined with accessing to it, Tokyo came to the point of supporting the thesis of Arabs during Arab – Israel conflicts. Now days most of the countries are importing their necessity of oil. Middle East countries are the primary source of feeding the needs of APAC (Asian Pacific Countries) particularly Japan and China.

Gulf countries provide 20% of oil needs of USA. It has to be said that, actually USA produce 12 million barrels everyday but still it is oil poor country where as Saudi Arabia produce 6 million barrels everyday but oil rich country. Here the case is, because Saudi use only 5% of her production, on the other hand USA use whole its production and plus its import from Gulf countries. (EIA, 2016) To conclude, enhancement of strategic importance of Gulf region, bring the correlation of security, politics and economy to the punch line that is creating analytical framework and the main theme of this dissertation.

In this context, this dissertation will present not only the issues of Gulf countries' security structure that is related to oil, but also outsiders like USA and their roles in this region. To understand the basic security structure form of the Gulf, which is directly proportional to oil and its vast amount of incomes that is being used as manoeuvre in policy and economy, the thesis has been build on three fundamental theories respectively; political economy together with the dependency and rentierism.

In international relations, the scientists those who intended to explain political problems or issues from perspective of economy by using theory of political economy can be differentiated from one another. From these scientists, reductionists

aimed to found economical provenance for every political problems, where as the others contested with only sort of economical explanation for political affairs. However, those who do not belong to these two categories, are not making exact choice whether to focus more on economy or politics but they point that there is on going and direct relationship between politics and economy. Consequently putting these differences on one side, the approach the thesis is going to focus on is; the international political economy framework, indicates that there is a mutual interaction of politics and economy which can draw our attention, on which there is some how oil has impact directly or indirectly on these incidents. In this study, assumption of energy – security nexus and relationships between Gulf countries among themselves as well as outsiders' interests, particularly controlling and auditing resources of oil, due to economical anxiety are the determinant factors.

This work has been chosen not only to be an alternative to such studies but seeking to answer three fundamental questions;

- 1- Oil is important but, does its importance will be still or will it last soon?
- 2- How does oil can create an inner and external shield on these countries?
- 3- Why didn't Gulf States go through the experience that other Middle Easterns had gone?

Moreover, since the study will focus mostly on the GCC region, affiliated to the frame that is mentioned-above, it hypothesizes mainly five points;

- 1. Strategic importance of the Gulf due to natural resources of it, renders policy and economy relationship more vital in the region.
- 2. Rentierist characteristics of the Gulf countries provide them an Oil Shield for their regime survival
- 3. GCC countries are dependent as "Periphery Center" to the Center-Center Countries (USA)
- 4. A security community that has been found in 1981 called Gulf Co-operation Council, in general, has no power of deterrence/political decree to take action that isn't in parallel with USA.
- 5. Considering the frame of energy security nexus, security structure of GCC countries and their rentierist appearance will not change due to 1st and 2nd assertions.

If we go back to ten and twenty years ago and remember what has happened in this region, these assertions and questions will not be meaningless. To give an example,

subsequent to Iran-Iraq war from 1980 till 1988, Saddam Hussein has tried to control oil reserves of Kuwait in 1990s and this has followed by outsiders' invasion of Iraq in 2003. Therefore, this thesis takes these case studies and connects or harmonizes it to Gulf's security anxieties and precautions, which usually directly or indirectly have been overcome by means of political economy correlations, rentier characteristics and dependency of the Gulf countries.

Our study is composed of four parts. While the introduction is being counted as the First, the Second part is beginning with the discussions from different perspective of international political economy (IPE) at the level of ontological, theoretical and conceptual understanding. While theory of political economy is going to be discussed from different perspectives, understanding military in future, economic and political audit on oil resources will be clearer about which we will try to indicate that liberal political economies create mutual interdependency among sub regional, regional and global partners. However expected mutual interdependency is mostly and efficiently seen between only developed western and so called developing Gulf States, which led the structure of the thesis to include Dependency theories to also see the differences between Gulf and other Middle Easterns. For doing that the study will be positioning Gulf States as a 'Periphery Center' rather than Periphery, like other underdeveloped countries, USA and westerns as a 'Center'. Also in this chapter, by adhering to theoretical frame, Gulf Countries' political, economical and oil reserves will be held comparatively, all of which will try to establish a conceptual frame and reveal how Gulf states rent their resources that creates the structure of their rentierist characteristics.

In the third part of the thesis, general verifications related to oil and vast amount of oil incomes have been discussed as an international policy instrument. In this section, the oil regime, the general characteristics of the oil industry and the effects of oil on the international relations of the countries have been tried to be determined. By doing this, thesis will try to demonstrate that previously mentioned political economy assertions to show how crucial of Gulf oil is perceived in the World and how this precious reserves could be weaponized together with global powers in order to create an Oil Shield. Of course this part of the study is consisting more quantitative analysis than qualitative. Because in this part the study also in purpose of answering the questions whether the reserves will be still or last soon and in what volume world is

depended to oil. Further more, Rentierist charateristic of the Gulf States will be unclosed, particularly to understand oil's importance as policy instrument to stabilize internal and external politics, in case any threats occur for their rejime existency. Therefore putting forward the quantity and quality of Oil's characteristics in the region and its influence on state-society relations in this chapter was essential, in order to observe the security structure that is occuring in the region.

The fourth part of the thesis, without externalizing the historical perspective, will reveal the struggle of regional and global powers with regarding to oil reserves in the Gulf region and their relations with Middle Eastern countries. The episode concerned recent historical incidents of between 1991- 2017, whereas also it had discussed the important phenomena between 1960 -1980s. So to open the subject, the study especially focused on characteristics of Gulf countries, summary of their state structure and oil reserve properties, their relations, after and during Pax Britannica, with USA. The chapter mostly focused on different aspects of their foreign relations, threat perceptions and Gulf regions internal relations for building the security structure. This part also evaluate the Gulf states common interest in terms of international relations rather than taking one by one for explaning deeply their historical formations. The part also emphasis common action of these countries in order to understand the strains and analyze their political identities, dynamics, foreign relations together with difficulties they face and while doing this, thesis tried more to focus on recent events in 2017.

The last but not the least, due to outward threats, Gulf Cooperation Council (GCC) has been found in the sub region of Middle East, has a common point called common interest, which could also bring the idea of security communities in addition to economical and cultural common interests. In some of these cooperation or union, security is at the top of agenda rather in other's the economy and culture itself. Therefore mentioning security communities is another essential aspect of this chapter to reach the understanding of stability of Gulf regionalism and whether it is successful or not is tried to put forward in recent Yemen case of 2017.

There are sort of methods that are used while thesis was trying to testify claims about GCC countries. These methods are the case studies in historical process, discourse analysis, quantitative methods for the oil and gas reserves, and documentaries about the history of the Gulf and USA relationship. In addition to that, literature reviewes for theoretical perspective and frame of the thesis used such as; books, journal articles, newspaper articles etc.

2. THEORETICAL AND CONCEPTUAL PERSPECTIVES

2.1. Arabian Gulf States – Global Relations in terms of Dependency and International Political Economy

2.1.1. Gulf in Crisis

The Middle East terrains that have been under the sovereignty of Ottoman Empire for almost 400 years, have been ruled internally fragmental but entirely as one piece at the international level, firstly had been invaded by pinooering powers and then has divided by many invaders after World War I. Prior to the discovery of oil, the region had been a hotbed for religious conflicts and wars over other rich resources and lands.

The declining Ottoman Empire paved way for the rising European imperial and colonial powers interested in securing various territories and controlling access to Asia. In more recent times, interest in the region has been due to availability of energy resources. The control of the region has been transferred to multi-national oil corporations – Chevron of USA, BP of Britain etc. - that has affiliated to mandatory states. Researching oil fields, operating facilities and marketing the oil has been managed by invading powers.

The great states that have been ruling the region, used to claim that; people of the Middle East can not rule their own territories by themselves... This indication actually prevents countrymen of the region getting controll over natural resources, which actually prevents them to be powerful economically, politically and militarily. To maintain superiority, control and influence over the region, the West has placed corrupt Arab leaders into positions of power and supported the overthrow of those that are not seen as favorable. This has also served to keep their populations at bay, in return for militarization, power and personal wealth of the elite.

The common theme underlying it though has been the struggle to control access to important resources such as oil. Among different kind of resources, certainly the oil was the most crucial one that was subjected to competition.

Usage of oil at the begining of 1900s in means of warfare, paralell to mechanical development occurred subsequent to enlightenment and medicinal innovations, caused a huge rivalry among great powers. With an extensive usage of oil, establishment of multi national oil corporations and attempts of these corporations to be global powers in international markets by getting support of the governments, has triggered both the expansion of oil market and the process which regulate political and the administrational structure of the oil reserved Middle East. It is also known that; since the beginning of 20th century, fuels such as gasoline, diesel and other sub products of oil have entered the entire human life, as internal combustion engines have been fabricated in the assembly line.

As a matter of fact, while strategic and economic value of oil increased, it was indispensable for great powers of times tending towards the oldest oil reserves for finding new oilfields; exploring and controlling them. As for the Middle East region that hosted different kinds of civilizations consisting variety of religious, politics and cultures, albeit forming the principal focal point of this concern, unfortunately the region has been exposed to troubles all too soon. For some part of the Middle East this was a curse where as for others, like Gulf³ region, a blessing. However in the end both of them have become a part of the system of Global Economy and Dependency. The basic reason for it, because the Oil was one of the most essential factors that has shaped the Politcs, Security, Socio dynamics and of course the Economy of the Middle East. Later on Natural Gas could be added to this factor but not as effective as oil from 1900s. onwards till 1997 the time when Qatar (holding the second richest gas reserves in the Gulf) has lunched pumping the converted liquid gas to global market and influencing world's entire industial sectors. (Dargin, 2007) Thus, renting oil and gas as hydrocarbons have created an unbreakable relation between the Gulf and Global Market which actually linked political entities of the different part of the regions in the World, occasion a direct relation between economy and politics.

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³ In literature Gulf is a region that indicates; combination of six countries; bordering the Persian Gulf in southwest Asia, including Iran, Iraq, Kuwait, Saudi Arabia, B ahrain, Qatar, United Arab Emirates, and Oman.

The economies of the Arabian Gulf states are one of the most dynamics in the world today. Wealth is being generated at historic rates, driven largely—but not entirely—by a boom in oil prices. Gross domestic product (GDP) growth in the Gulf countries often approaches or exceeds the double digits. For example, according to the latest MENA Economic Monitor Report- Spring 2016 UAE's GDP in 2013 was 10.4% or Qatar's GDP in 2014 was 11.2% (Worldbank, 2016)

The Gulf Cooperation Council (GCC) economies have achieved a remarkable transformation over the past 30 years. Saudi Arabia and its smaller neighbouring countries Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates were once at the economic periphery of the world's trading system. The discovery and systematic production of oil since the 1960s has changed this narrative fundamentally, as petrodollars have enabled the GCC to advance into one of the world's wealthiest regions, stylized by the ultramodern skylines of cities such as Dubai, Riyadh, and Doha.

Education levels, connectivity to the broader world, and business expertise are higher than ever before. Gulf governments are changing the regulatory environments of their states, with a closed-economy approach quickly yielding to World Trade Organization (WTO) standards and demands for open trade.

Competition is increasing in every industry in the Gulf, where multinational corporations are finding themselves deadlocked in a tug-of-war with increasingly savvy local firms. That is why GCC state's contribution to the world economy is at a very crucial point in terms of their constraint resources.

Sharif Elmusa in part of his book summarises the Arabian Gulf economy in the world economy like: The contribution of imports to consumption and investment in the Arab World is twice as important as in Black Africa, three times more than in Latin America and Caribbean, 3.3 times more important than in South and East Asia. In other words – the Arab economy is more externally oriented – and hence more dependent – than economies of the rest of the Third World. (Elmusa S., 1986, p. 258)

Therefore, to be able to import, consume and spent you absoulutely need an income in a micro manner, as macro manner your country need an income to stimulate the economy. Hence the economy of the gulf countries, as in his book 'GCC Economies

Stepping', Sady claims more than 65% depends on hydrocarbon revenues (Sady, 2012, p. 256-257)

It is very known that Gulf countries themselves constitute 65.4% of the oil reserves (788 billion barrels) in OPEC and the world. The table below testifies our claims about the ratios.

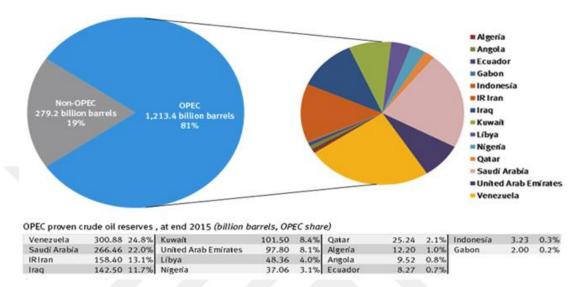


Figure 1: OPEC Share of World Oil Reserves, 20154

The World economy is directly proportinate to oil, or oil producing countries' economy directly proportinate to world economy. But we have to know that GCC economy grow by oil and slow by oil.

Few years ago, the Gulf States those are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates shared a fiscal surplus of around \$600 billion; by 2020, the International Monetary Fund predicts that they will have accumulated a combined deficit of \$700 billion. Sustained low oil prices could make things even worse.

This bad news is yet one more reminder of resource-rich Arab states' need to build vibrant, diversified economies that can withstand the effects of oil price shocks. (Malik, 2016) Although Arab governments know that (for along time) they change things and move on other incomes sources rather than an excessive dependence on hydrocarbons however they have had little success in doing so. For example, In Qatar, Kuwait, and Saudi Arabia, too, diversification has been a central, yet largely unrealized, development goal since the 1970s. Even the United Arab Emirates'

⁴ Retrieved http://www.opec.org in 2017

economy, one of the most diversified in the Gulf, is highly dependent on oil exports. (Ramady, 2014, p. 30-31)

Why have Arab governments consistently failed to diversify their economies despite tall promises and grand plans? The answer has more to do with politics than economics. This is because the rejime survival is the top agenda of the rulers in the Gulf countries. As we have abovementioned already; the situation between Gulf countries and Iran could be the example of this, they sacrifice their economic deficits for their rejime survival. Moreover, the trouble is that in many Arab economies, good economic policies rarely constitute good politics, especially for ruling elites. This is because the structural changes demanded by economic diversification—specifically, the production of a greater number and variety of high-value goods—promise to empower business constituencies that, flush with new income, could potentially challenge the ruler. Independent merchants have lots of projects that can create their empire which are always seen as a threat due to stronger trade community might interfere internal politics of the rulers. Therefore, in Gulf, rulers are the center-center⁵ and the rest are the periphery even the strongest merchant or businessman.

It will not be a mistake to define the Gulf and its relation with the world in respect to Renterism⁶ or Dependency perspective for its political economy and the security aspect. But in this dissertation it will be better to enclose the subject also via theory of political economy of the Gulf. Actually there are variety of scientific studies in the literature of International Studies as to understand on going relations between the Gulf countries and rest of the World. However due to above-mentioned frame work; Rentierism, International Political Economy and Center – Periphery relation of Dependency theory will be the chosen ones.

These theories indeed forming a triangle that could combine and ease the theoretical understanding of the Energy – Security Nexus in the Gulf by demonstrating how these young and small scaled Gulf countries, in terms of population and land, are dependent (North – South Relation) to great economies (IPE –international political economy) by renting (Rentierism) their contraint resources for security structure.

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⁵ The concept of a Dependency theory that indicates; center is strong side of the case while periphery is the weaker side.

⁶ this theory indicates a country that rents its natural resources for national income, which is going to be elaborated in part 3 of this study.

Beginning with the theory of International Political Economy⁷, we can better undestand the current condition and position of the Gulf Countries in the context of national economic and social interest for structuring the security umberella. Because social interests usually or should be protected and healed by the state, and the state processes via mechanism called policy, to stabilize the society and this mechanism also take vital decisions to en

hance the economy. Therefore; Robert Gilpin one of the most known political economy theorist has used this statement as he has been describing the disciplinary:

"There would not be disciplinary of political economy if there wasn't something called state and market. Thinking of a world that only depends on price mechanism, economical affairs, and powers who control the economical activities, obviously will be the world of pure economists...And theorizing that, only state powers those who can share economical weld, will be the world of politicians." (Hettne, 1995, p. 3)

According to Gilpin, Political Economy is a disciplinary that combines policy and economy under one roof to understand how these both majors attached to one another. (Gilpin R., 2001, p. 8) More over, one of the most known political scientist Robert W. Cox, in his writing called 'Critical Political Economy' claims that understanding the international system; state and market has to be assessed together.

Cox claims that there is a correlation between international economic relations and international politics about which we have no luxury to ignore this linkage. (Cox, 1995) One of the most important representative of discipline of political economy in international relations, Susan Strange, also describe political economy approach as a discipline that examine interactive manner of interaction between state and market (Hettne, 1995)

The analysts of international economic relations those who aim to understand relation between state and market at worldwide level, have focused on the effect of international economic relations on national and international political relations or vice versa. Insight of their items of agenda, there are international trading, funding relations, financial problems and multinational corporations etc.

The political economy specialists' emphasize on, not only interrelations of industrial communities but also their relations with other parts of the world that is about North

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⁷ Interpretation of IPE (international Political Economy from different perspectives)

 South relations which will be indicated in the following of dependency theory part of this chapter.

Struggle on the constraint of raw materials (such as oil and natural gas), and decisions taken by G8, GATT, IMF, NAFTA and OECD, and their correlations between them, further more countries' decisions taken in these institutions, are crucial research fields in terms of international political economy (IPE). It cannot be claimed that political economy is only a discipline that shows interaction between politics and economy. However, the hard core of this study is that, it examines and assumes that interaction of policy and economy changing and evolving the structure of international system rather than claiming that state is the top actor that might alter the system like in the realist school thought. As a matter of fact, this kind of understanding is differing IPE from other disciplines. This discipline assumes that 'transformation of international system could be understood by interaction between state and market' and also claims that 'there is only a relation of these two (state and market)' that transform international systems pertinently.

Above-mentioned writers, to whom we have attributed, also have indicated that correlation between these two fields has caused change of history and structure of international system. For example: From a realist perspective, Gilpin argued that the American Power, measured by its ability to compel its allies to contribute to the Pax Americana was in terminal decline. (Gilpin R., 1981 p.45) This is an indication of change of unipolar world and extension of other potential powers.

On the other hand a counter argument rose from Susan Strange and indicating that, the structure of global competition was determined (or controlled) by American interests⁸. Although distinctive views might seen here but common focus of political and economical these two authors from different perspective are underlining interests. In an extensive meaning, political economy studies stressing on also economical facts while analyzing cooperation, alliances, problems and conflicts rather than only focusing on politics, prestige etc. From international perspective, a

https://www.princeton.edu/~pcglobal/conferences/strange14/germain.pdf

finance. For more information please see the following link;

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⁸ The view is retrived from the understanding of Susan Strange's theory of structural power in the international political economy. The main thought of her for this indication is that, she base her explanations on America that is number one in most of scopes such that technology, industry and

political economy based study; examine or analyze the processual and institutional connections between politics and economy.

In a sense IPE seeks and analyzes the conditions and they search to what extent the foreign policies of governments are being affected, for example, by constraint resources (oil and gas) in nature and their trade. Because; in this discipline it is very important to see how political tools and economic means are being used, and to what extent economic relationships and political powers correlating.

In this context, the political economy approach is one basic theory that can describe the process of systematic relationship between the global economies and constraint resource holders like Gulf region. The reason is that, countries in the region have sort of political entities and state mechanisms in which economic decisions are also being taken about how to deal with internal and external markets. Global Economy obviously needs energy resources for production purpose of anything, for this reason political economy also indicates that there is a direct relationship between economy and foreign relations, which practically will be elaborated in chapter three and four, while unclosing historical perspective of the Gulf together with its natural resource in global economy. And last but not the least, without noticing mutual process of foreign policy and economy we cannot foresee much of the countries' further steps. For instance, from time to time Saudi Arabia was tooling oil as a weapon against conflicted foreign policy with Iran. (Güney, 2015, p. 3) Iran's President Hassan Rouhani, after OPEC's decision for not decreasing oil production, said that countries depending on oil revenues would regret about their decisions due to the fact that drop in oil prices⁹.

Moreover both Saudi Arabia and Kuwait have been warned by Rouhani saying that 'their decision might also cause them to suffer from drastic drops in oil prices alongside Iran', which indicates that direct correlation and mutual effect between foreign policy and economy of Iran and Saudi Arabia. (Moghtader, 2015, p. 2) This also ratifies the other assumption that, foreign policy together with national, international and institutional organizations are being affected by environmental conditions such as oil, gas, water and etc. Hence, in this frame political economy

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⁹ For more detail, it is useful to see the news in the following link; https://www.reuters.com/article/us-energy-iran-rouhani/irans-rouhani-says-countries-behind-oil-price-drop-will-suffer-idUSKBN0KM0PE20150113 in 2017

helps us to understand the connection between external environment, political and economic systems together with individual activities. (Rupert, 2004, p. 1)

This relavance stems from the fact that world politics and economy are interwined with each other in many ways of problems. While economic developments influence politics, economic relations are also usually being effected by political developments and decisions. The acceptance of the existence of this interlocking relation between these two fields created a path for the increase in the number of political economy studies within history, economy and international relations discipline. (Gilpin R., 2001, p. 25)

As it is an approach of general acceptance that politics and thus the state play a vital role within economic process, the thesis that the state should be excluded of economic theory is supported no less than that. Economy is asserted to be a science of relation between human being and nature and production, just like the classic economists did, as put forward by A.Smith who has been considered as one of the founders of classic economics indicating that the state is only considered on practical level and broadens the economic realm. When looked from the perspective of classical international relations, the state is also the fundamental determinant of international politics and the economy.

As we mentioned above, in contrast to A.Smith, Robert Gilpin assumes that there can not exist a perspective of political economy that externalizes the state. Classical international political economy discipline supports the thesis that no economic system can be explained by ignoring the political power (in the context of state). (Hettne, 1995, p. 2) Within this framework, it is put forward that the changes and transformations in international economic system should be dealt along with the capacities, interests, expectations etc. of political powers of that period. For instance, in 2007 Sanam S Haghighi indicates that, we can't held EU's energy security for their scope of industries by excluding state's energy policies. EU always diversified its energy hubs. Notwithstanding intensive efforts to diversify its sources of energy after 1956 Suez crisis, Europe still imports (on average) persistent amount of its fuel from the Persian Gulf even though intensifying the search for oil and gas in the North Sea. It is doubtful if in the coming decade Europe will be able substantially to reduce the proportion of fuel imports from the Gulf. (Haghighi, 2007, p. 363)

With 90% of its total oil being imported from the Gulf countries, Japan, the third largest industrial country in the world, is at present utterly dependent on this source. (Abir, 2005) Relations with the Gulf states and keeping the stability of economic order of Europe or Japan passes through the correlation of political and economic interest of these countries. This indicates also the dependency of the South part the Arabian Gulf (those are technologically underdeveloped) to the North. (EU, Japan)

However, when Susan Strange's 'States and Market' was published in the 1980s, it was criticized by many writers of international relations due to its ignorance of power and reality. According to Strange who expressed that the markets and the State should be synthesized, also proclaimed that the distinction between the economy and politics is no realistic and it was mostly made arbitrarily. (Hettne, 1995, s. 3) For reprisal on the other hand, concerning the publication of Strange, realistic writers said that name of the study indicates, State and Markets has made its own scientific controversial in terms of international discipline.

The assumption that the markets or the economic relations effect the foreign policies of the state or the relations between the states, constitute the principal point of the criticism. Along with these criticims, as a result of the publications of the journals called *Review at International Policial Economy* and New *Political Economy* which involve Polanyi and Sally in addition to Strange, the thesis that the political economy inside of the international relations or the state along with markets effect one another started to gain acceptance as a distinct discipline. (Abbott & Worth, 2002, p. 18) Accordingly, when the time comes to 2000s, the assumption that this interaction has created a structural alteration on both units was no longer a matter of debate for many writers.

Despite the fact that the Marxist literature has a considerable effect on the subject, as distinct from marxist explanations, international relations thinkers such as Strange, Cox, Gilpin, Spero and Sally started to examine the relation between state-market in the framework of agents such as economic foundations, multinational companies etc. The writers tried to bring out an international political economy approach alternative to realistic paradigm which mostly bring forward the power and power politics while narrating the International and to the globalist and marxist theories which emplace the economy into the center of the whole system. (Farrands, 2002, p. 17) Within this context, concerning the criticisms abovementioned, indicating the fact that the

traditional paradigm couldn't develop parameters to explain the relationship between the politics and economy although international politics was effected by more international economic relations each passing day.

Especially the proliferation of economic liberalism, the improvement of mutual interdependence, the alterations in the relations took place between policy and economy and also inexplainableness of these alterations by traditional approaches has caused developments of different perspectives in international relations. The writers who points out the fact that the importance of political boundaries between the states gradually decrease, realize that the roles and power of economic foundations and multinational companies in international politics gradually increase. Also the distinction between international politics and international economics becomes quite indistinct, it has drawn attention to the fact that international economic relations can not be analyzed independently of international politics within the framework of international relations discipline. International political economy discipline which came into the forefront as a critical approach towards traditional paradigms within international relations put forward the thesis that the interaction between global economic relations and politics needs to be analyzed on sociological, cultural, juridical, moral and institutional levels.

One of the most important names that came to the forefront on this topic is Josep Schumpeter. The contribution of Schumpeter who pointed out relation between economics and politics to the discipline of IPE concentrates in four areas. John Bellamy Foster in his article called 'Political Economy of Joseph Schumpeter' indicated clearly that In his studies, Schumpeter put forward that international trade does not possess a natural mechanism which is self-induced and self-expanding. Another contribution of him to discipline within this period appeared with that he dwelled on the success of oligopolistic companies and he analyzed the effects of these companies that could act as cartel on international politics. According to Schumpeter, big companies play a vital role in the enlargement and propagation of capitalism. Thirdly, Schumpeter established a connection between technological developments and national capacity. (Foster, 1984, p. 19)

According to Schumpeter who emphasizes the importance on significance of technological developments in international trade, claimed that the Least Developed Countries (LDC) are unsuccesfull in terms of technological developments, while

multinational companies originated in developed countries crowned with success in technical improvements. Lastly, Schumpeter likely opened the way for political economy discipline by asserting that there is a relationship between political culture, social structure and economic development. (Abbott J. P., 2002)

When the time was 1980s political economy problems like oil crisis, distortion of Bretton Woods system and North - South relations have demonstrate a quite strong relation between wealth, security, politics and economy which naturally cause discussions in international relations and started to design a theoretical structures. But within a short while, it was understood that the vision of writers in international relations depend on different paradigms and cultures (in scientific sense) have different perspectives and thought interms of relations between policy and economy. For instance the writers such as Gilpin whose thoughts are originated from a realistic tradition adopt a state-centric approach that centered the state as a principal determinant in economy and politics interaction. However writers from liberal perspectives such as Keohane and Nye brought up the states' centre of location for discussion within the framework of interdependence, or as for the politicians who were influenced by Marxist tradition, they have focused on the international economic order and relations within the framework of Structuralist/Radical/Globalist literature. All these as I have mentioned have different visions.

In other words, while realist tradition preferred to focus on structural changes in international system within the scope of alteration of power distribution between the states, liberalists focused on structural changes in the context of the economic actors' increased impact on political science. The structuralist examined the change of political economy in the context of the establishment of mechanisms that will cause some states/classes to exploit other states/classes. It could be seen also in the context of dependency theory of north – south relations according to which we can claim, for example, the Gulf countries are being exploited untill now by north taking advantage of their unsecured environment.

It is seen that the writers who were influenced by the paradigms abovementioned have developed various explanations about constructual change and transformation. Political economists whose original thoughts were originating from Marxist and Globalists/Structuralist traditions assert with general expressions that economic production style and economic relations have effect on political process and agents.

National economists who adopt basic assumptions of mercantilist and realist paradigms focus on the economy-politic interaction in the context of national principles, values, security and national profit and criticize that economy-political interaction cause these values to be worn out.

As for the national economists who assert a protective trade policy, economic relations and liberal trade will put the independency and sovereignty of the state into danger. As for the liberal international political economists who examine economy-political interaction in the context of concepts such as market, mutual interchange, mutual profit, freedom, liberal trade etc. put forward that internal and global economic relations ease the prospertiy and peace of the state. Within this framework, different views of the economy-politic relations between these three ecoles cause at the same time three different political economy approaches. (Veseth, 2001) However, attention should be drawn to the fact that there are some common points between these three different political economy approaches which indirectly relate in understanding of securitizing the Gulf.

Though each of all three paradigms elaborate the situations differently, they accept that there is an interaction between economy and politics and this interaction caused a structural change in international system. In all three approaches, not only the political economy perspective can expresses the determination of strategical importance of economy, politics and security policies, but it can also actively express the act of state as a political unit that run after economical based interests.

Within this framework, the economy based interests can be regarded as a factor affecting standards of the nation, security and power of the state, these accomplished interests can also regarded as a power that represents a state in front of other states. All three international political economy perspectives put a premium on economic relations between states, international money policies, international trade regimes, capital movements and of course the strategical (constraint) raw material sources such as oil and gas. In so far as demand for the Gulf oil is a need, made up by total world oil demand minus other supplies, it is highly sensitive to changes in demand, which means these sources become more of an issue for bargaining strength of suppliers. Following the recent political economy events of the country relationships, such as USA- GCC, Camp David summit that have taken place in may 2015 shortly

reaffirmed once again strong partnership and cooperation between the United States and the GCC. (White House, 2015)

The leaders underscored their mutual commitment to a U.S.-GCC strategic partnership to build closer relations in all fields, including defence and security cooperation, and develop collective approaches to regional issues in order to advance their shared interest in stability and prosperity. Even though heads of delagation of the GCC member states were not represented at kingdom level (except monarch head of Qatar) due to the reformation of USA policy towards Iran, Participation of USA with its foreign minister, ministery of defence, secretary of state for energy and the head of CIA (White House, 2015) clearly indicates the emphasis and the expressions of the political economy approaches that are framed in above-mentions. When we do analyze such occasions it recall us the Arab members of OPEC those who were weaponizing the oil against Israeli supporters in 1967 or during Suez crisis in 1956.

None of these attempts and applications of the oil weapon were effective. Similar attemps are known as uselessness by heads of GCC countries because they are still dependent to USA in this current era due to the needs of USA's security umberalla. More over they are the biggest costomer of GCC comparing to China. GCC countries export almost more than 6 million barrels everyday to USA where as 3,8 million to China (Ekodialog, 2015) However this does not mean that they couldnt be dependent to China in the future era, since it is the fastest growing and the fastest consuming economy in the World. (Rapoza, 2014) Here the problemetic question is why do they depend whether to USA or China? There are many pragmatic answers for this question, yet, not only the Marxist or neo Marxist echoles under the name of Dependency Theories has elaborated social scientific theoretical aspect of this question but also founders of Theory of Rentierism, like Hazem Bablawi, Lusiani, Housain Mahdavy have had focus on the matter. However they have more focused on the question: Why countries that are being termed as Third World can'nt develop? (Cardoso, 1977; Elmusa, 1986)

This question has led them to focus more on North-South issues through dependency theory. And due to renting their scarce resources of their country to abroad in a rentierist manner which, for example Bablawi claim it is 40% of the GDP in Iran, that Iran doesn't depend only on hydrocarbons comparing to rest of the Gulf. Thus, we have to know that the rest of the Arabian Gulf depend more on the hydrocarbons

than Iran does. To enclose these properties of the region actually we need to generally understand these two theories respectively Rentierism and Dependency.

2.2. Rentierism

Rentierism based on Rentier State Theory (RST), used by many as one of the major theoretical researchers of Middle Eastern Studies and the discipline of political science, was built on a series of studies that emerged mostly in 1980s during economically oil explosion of the previous decade. Literarily it's been called oil boom. The base of rentier state concept when we search we see that firstly puted forward by Iranian scholar Hossein Mahdavy in his book; *Pattern and Problems of Economic Development in Rentier States* in 1970s, and later on developed by economists Hazem Beblawi and Giacomo Luciani in 1987. (Luciani, 2005, p. 85)

Scholars of RST originally based on oil producing countries that do not treasure up revenues from taxing the citizens. These countries's common revenue accumulations depend on externally generated revenues by renting their local resources such as most commonly known oil and gas. And their study is to find out the reasons of underdevelopment of these countries that exporting their resources in return of vast amount of capital. (Noreng, 2006, p. 118) However, aim of this study is not finding out or deeply emphasizing the underdevelopment reasons, but more dwell on how these characteristics provide stability and keeping alive their regimes of particularly GCC countries. When we look at the bases of this concept called rentier state, in normal countries supports come from public itself, and have to, for paying for itself, making a system to reveal from society part of the surplus generating for future, however in oil exporting countries by renting their oil creates a payment that influx from the rest of the world, and give service or make society happy by distributing these rents through sort of mechanisms. Of course, this is directly proportional to how you manage your revenues from oil exportation.

There are three factors through which represent the characteristic of Rentier states: First, oil income as rent paid to governments, which means connection between price of production and price of market is very poor or vulnerable; because oil is accounted as a strategic commodity. Second, in global economy these oil revenues made up through marketing procedures. Third, State collects all of the oil revenues directly, distribute and use very less amount it to regenerate wealth that is being

obtained through that rent. In general measuring of Rentierism through government's revenue made up of oil by percentage; For example; Luciani claimed that states depending on oil for at least 40 percent of their economic revenue should be classified as rentier states. (Altunişik, 2014, p.78) Based on this explanation, for the period between 1971 - 1999 the rentierist researcher Michael Herb defined the following countries in the Middle East as rentier states: Qatar (87%); Kuwait (88%); Oman (81%); Saudi Arabia (80%); UAE (84%); Libya (58%); Iraq (54); Iran (55%); Algeria (53%); Bahrain; (55%) Yemen (46%). These are the countries most of their state revenues acquired thorugh single natural resource or commodity. (Herb, 2005, p. 312)

On the other side Beblawi is defining the rentierist state through four characteristics: 1- rent is in the dominant position among all revenue of the state. 2-While few part of the population are in the process of acquiring the rent, most of the population are in the process of allocation and use of these rents. 3- State or government managing or authorizing the rents that generated outside. In another words State rule the rent that come from abroad. 4- most of state's revenues depend on exporting these resources. In another words external incomes are the capital source of the country. (Altunişık, 2014, p.81)

Any income that comes from outside of the country, for example citizens of a state those who work abroad, sending foreign exchange income, as long as consisting remarkable revenue of that state, this foreign exchange could be a rent of that country. But, vitality of economical perspective and on vast scale revenue potential the hydrocarbon revenues of oil and gas in general are the key factors found in oil rich countries that are accounted as rentierist states. Due to the fact that rent is holding a vast amount of share within the total revenue, causes rentierist state to rely on only single commodity in Gulf countries. This situation exposes rentierist state to price shocks.

In the context of rentierist state concept, the rent that is expressed as revenue comes from abroad. In other words, rentier states do not reply on internal economic process rather depend on purchasing of hyrocarbons.

In order to gain income from different kind of national industries, it needs efficient diversified economic facilities and activities. Therefore, obtaining revenues from

abroad jeopartize necessity and pressure, which could trigger inner industrialized scopes. Because the influx of oil revenues from abroad is sufficient for public services and expenditures for the rentier states, that do not taxing their citizens.

In this frame Luciani differenciate between 'allocation states' and 'production states'. If a state applying the function of revenue allocation that obtained from abroad, this state could be named as allocator state whereas if incomes of state mostly reply on internal economic activities, in this case it is been called as productive state. (Luciani, 1990, p. 71)

2.3. Understanding of Center – Periphery

Dependency theories thoughts emerged from a group of Latin American writers who criticized the liberal modernization, and they held the developed countries responsible for the non-development of the other countries in 1960s. Dependency theory developed under the influence of basically two different theoretical traditions. The first one of these, which is, also the predominant one in the theory, Marxist tradition. The other one is the structuralism of Latin America. In their analysis, Marxist dependency theorists were influenced by the capitalism analysis, class conflict, capitalist production style and imperialism theory of Marx and Lenin. (Farraro, 1996)

The majority of Latin American structuralists dwelled upon the problem; why the countries called as Third World couldn't develop thought they were also influenced by perspectives of Marx and Lenin. In other words, the most important feature that separates dependency theorists from Marxists is that this future carried out studies about North-South problems. (Cohn, 2003, p. 126) Especially the study called 'Depedency and Development in Latin America' that Brazilian political economy theorists Cardoso and Falleto published in 1969 was the primary one which brought up the political and social process in Latin America for discussion.

According to Cardoso and Falleto, if the capitalist communities had considered and understood the Latin American countries in a nonmaterialistic way, there would have been no need to evaluate capitalist countries with a Marxist perspective. (Tansey, 1994, p. 25) According to Cardoso, Latin American Dependency Theory was strongly affected by ECLA (Economic Commission for Latin America) tradition and

the Marxist- Neo Marxist writers such as Baran, Sweezy and Frank. (Cardoso, 1977, p. 7) By carrying out comperative studies in sociological, antropological, political and economic fields, Cardoso and his Latin American Dependency successor experts were seeking answers to the question; why the southern countries couldn't develop. Besides that the Latin American Dependency theorists who are epistemologically carrying out different studies, other than traditional theories, accept the effects of internal and external factors on underdevelopment, the majority of them attribute the formation of these factors to the intentional economic applications of developed countries.

It is put forward that the dependency theory criticizes the capitalist system and the development process of the system; creating mechanisms that will enable developed countries to be more developed once (Uche, 1994, p. 43) As Sunkel and Ferraro indicates that if it is willing to be noticed whether the country is dependent or not, it should explain the economic development of its state entity.

If country is being influenced by external policy, culture and economy then mostly that country is dependent. (Beigel, 2003) For instance, visiting most of the GCC countries it is very obvious to meet American and western cultures everywhere, sneaking every house, and strong economic effects, which means with lack of external northerns, urge Khalejees¹⁰ to seek another advanced economies that are going to support them in every aspects including security realm and purchase their natural resources in return. Practicle side of this theoretical assumption will be clearly understood in State –Society relations - in chapter three.

Concerning the case that there are still points of serious disagreements among the various strains of dependency theorists it is a mistake to think that there is only one unified theory of dependency. Nonetheless, there are some core propositions that seem to underline the analysis of most dependency theorists.

Within in this framework, four fundamental critisims of dependency theorists also comprise the basic working areas of the perspective. These are:

1. There is a centre-periphery interaction between the developed countries and underdeveloped countries. This can also be named as dominant/dependent, or

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¹⁰ People whose origin is from Arabian Gulf.

metropolitan/satellite. And because of political and economic asymmetric power distribution between the centre and the periphery, a noticable unwelcome formation is occuring between these two satellites. The superior states are highly industrial countries, for example, in OECD. On the other hand dependent countries those states, for example, have low GNP or high but lack of rest necessities to be developed country and usually depend on its exportation of a single commodity, such as gas, gold, oil etc, for foreign exchange earnings. (Bodenheimer, 1971, p. 157)

- 2. Many principles of classical economy, especially the 'theory of comperative advantages' (Ruffin, 2015) or external investments made no contribution to the economic development of Periphery countries. External attempts exist to the economic activities within the dependent states. These external attempts include foreign corporations, international commodity markets, foreign assistance, communications, and other enterprises by which the advanced industrialized nations can represent their economic interests abroad. For example, infrastructure development initiatives and the service industries remained the major drivers of capital into Dubai in 2014 as the Emirate saw \$7.8 billion in foreign direct investment (FDI). estimates by Dubai Investment Development Agency (Dubai FDI), an agency of the Department of Economic Development, showed that the US, the UK, and other European countries such as France and Germany were major source markets. (Arabianbusiness, 2015)
- 3. Center countries have applied trade policies that would provide them disproportionate gain. However this situation is differing when it is applied to small, less populated Gulf Countries. Not by economically but dependent more politically these countries' USD receivables are always higher than trade liabilities (Ramady, 2014) Accroding to the Office of USA trade representative; U.S. goods and services trade with Saudi Arabia totaled \$81 billion in 2015. US exports totaled \$25 billion; Imports totaled \$56 billion (oil). The U.S. goods and services trade deficit with Saudi Arabia was \$31 billion in 2015.(ustr, 2015)

The other GCC countries as well share same similarities with Saudi Arabia (Representative, 2015) which could also be interpreted as; GCC economically interdependent but politically, for sake of particularly western countries, dependent interms of Gulf Security. The most common known and accurate example of this reality is the First Gulf War. One obvious way to demonstrate U.S. commitment to

the security of states in the Persian Gulf - that is also indirectly committing to political decisions - is to encourage self national defence, consisting of selling arms, whether by U.S. firms or by those of other Western states.

This policy is historical and will no doubt continue, whether driven by demand or supply, in response to perceived security needs on the part of regional states or reflecting Western efforts both to shore up these states' sense of security and to earn revenues from arms sales. But this dichotomy does not appear between the nations only. Assymetrical relationships occour among small groups and classes within the Third World and between the ones in Third World and the ones in Western World. In other words, although dependency is mostly seen between nations, it includes broader ties among classes and groups within and among nations who have common interests. For instance, interest could be between center of periphery of a group (Iranian religious group or Iranian Businessmen) and center of periphery of another group (Shia leader in Saudi Arabia or owner of a petrochemical)

4) The great expenses of a wealthy minority in the countries, are not the critical investmests that are supposed to be and do not develop countries the way it should be. This kind of expenses we witness mostly in the GCC countries where you don't see any value added investments such as technology or informatics etc. rather mostly investing on real estate and luxury goods.

The way the Gulf countries are dependent to developed Western countries, might be seen in many fields. When we look at the aspects of these fields it exists from household to every technological realm and every industrial sector.

As accentuated above, these four criticisms constitute the framework of the analysis that the dependency theorists brought about why the underdeveloped countries couldn't develop or financially self sufficient gulf countries still can't get progress. By determining about Centre-Periphery interaction that became prominent within this context, the writers such as Galtung and Wallerstein turned the approach into an essential theory which is Center – Periphery.

2.3.1. Centre-Periphery Approach

Dependency theorists assume that global economy was constituted among the Centre-Periphery countries. According to this approach, Centre-Periphery is an interaction that always takes place among those who are not equal in terms of power.

The powerful country always gets the best of this interaction disproportinately. For this perspective Johan Galtung who is one of the most famoust writer explains the gaps between center and periphery thought his theory called A Structural Theory of Imperialism. He indicates that;

'This theory takes as its point of departure two of the most glaring facts about this world: the tremendous inequality, within and between nations, in almost all aspects of human living conditions, including the power to decide over those living conditions; and the resistance of this inequality to change. The world consists of Center and Periphery nations; and each nation, in turn, has its centers and periphery. Hence, our concern is with the mechanism underlying this discrepancy, particularly between the center in the Center, and the periphery in the Periphery. In other words, how to conceive of, how to explain, and how to counteract inequality as one of the major forms of structural violence...' (Galtung J., 1971, p. 1)

The claim of the Dependency theorists that concentrate on the Centre-Periphery interaction is that the trade policy between the centre-periphery is always for increasing the profit of the centre or it is changed in a way to serve this purpose. For example, it is put forward that American foreign trade policy and trade agreements made for this purpose are fundamentally to protect the interests of USA that is the party gets the best of these relations. According to centre-periphery approach which claims that foreign investments sourced from developed countries to underdeveloped ones are of use for the transfer of the income through invested country rather than developing them via multinatonal companies. (Tansey, 1994, p. 35)

Moreover, according to P.Sweezy and H.Magdoff, the qualification of multinational companies can not be explained by its field of activities, foreign workers or the board of members from different countries. But it is important for a company to be pronounced as multinational if it is functioning not only in one country but in many countries. Within this scope, also it is seen that multinational companies have some of the essential features of national companies too, which are centralizing the property and supervision under one roof. According to these two scholars, these two features show that the companies are not multinational as it is expected to be.

The fact that the companies that perform productions for a wide market in a competitive environment and act continuously with instinct to increase its profit margins, shift the production to a different country either to decrease the costs or to control the new markets all by itself and create new companies connected to itself

where doesn't lead to serious changes in the structure of multinational companies. It is asserted that the nationality of the capital is not in the hands of the country where it is present but in the hands of the national state that controls it. (Sweezy, 1975, p. 297)

Therefore according to this appraoch that was designed by not only by Sweezy and Magdoff but also by Galtung, accepted by Centre-Periphery theorists that the multinational companies are nothing but the structure of the exploitation relations between the Centre and Periphery, or even between the classes. As will be accentuated below, especially according to the writers such as Galtung, Wallerstein, all these relations and the established companies and institutions (such as IMF,WTO) are only the means of exploitation that is forming dependent periphery of the Center States.

Benefitting imperialism theory of Lenin, Galtung who opposes to the distinction between domestic and foreign policy, claimed that it is a quite important perspective to understand the institutional and structural relationship established between the domestic and foreign policy. Galtung expresses that centre countries has also a centre and periphery in themselves. The same division is possible for the periphery. For Galtung, the structural relationship states that the centre of the centre country formed within the framework of common interest principle between both countries. He indicates that the powers of the parties have a considirable effect on the establishment of the interaction between the two parts, income transfer from the periphery countries to the centre countries takes place. (Galtung, 1971, p. 81)

For him, imperialism originates as a result of the economic and political relationship between the developing countries (periphery countries) and powerful countries (centre countries). While explaining the formation process of imperialism, Galtung draws attention to three important factors. These are:

- There is a disharmony of interest between the public of centre country and the public of periphery country
- Specificially, there is an agreement on interest between the centre of the centre country and the centre of periphery country.
- There is a disharmony of interest between the periphery of the centre country and the periphery of periphery country (Galtung, 1971, p. 83-84). According to Galtung who claims that the agreement of interest between the two centres emerged as a result of

the exploitation of periphery country, the centre of the centre country holds the most part of this income.

To give an example for this, we can say that while developing countries of GCC states transfer the raw material (e.i. Oil) to center of the center country, in return developing onces receive finished products from which periphery of the periphery country cannot obtain any profit except improved social services like enforcing obligations for higher salaries comparing to other Middle East countries. Galtung claims that these policies also protect the income and employment of the periphery of the centre country due to unchanged amount of salary and social welfare. In his study, Galtung puts forward that there is a kind of interaction between the centre of the centre country and the centre of the periphery country. (Galtung, 1971, p. 86-87)

Galtung seperates the economic interaction established between two centres from the hegemonical military occupation interaction that was established through military or power. According to Galtung, this interaction was comprised as a result of the fact that both centres desire to have common interest. Because, the relationship established between the centres is a relationship that was established to the detriment of periphery of periphery countries. While both centers get the best of this interaction, the periphery of the centre countries is another group that gets the best of this relation because there was no decrease in the salary and income level, in contrast there is always increase in it.

2.3.2. The Theory of Capitalist World System Theory of Wallerstein

Wallerstein who have Marxist statements in his studies and who express that world economy has reached at the level of today's modern world system by going through certain processes, asserts that the distinctive fueture of modern world system is current capitalist structure that has been established on an accumulation system. Capitalist world economy/system emerged principally in a part of the continent of Europe and America in 16th century.

Wallerstein claims that, the system that is consistently expanding became a global case as a result of the addition of the regions that haven't been entegrated into capitalist world economy yet after the second half of 19th century. According to Wallerstein who claims that capitalist world system was determined by international economy, the political structures of the countries, communal structures, cultures and

their relations with other states are also determined by capitalist world economy. (Wallerstein, 1976, p. 1) Wallerstein states that the trade bourgeoisie that came out recently oppressed their own states to close their national borders to foreign competition during the emergence of centre countries. He claims that the capitalists ensuring the capital accumulation within the country to destabilize and abolish the national limitations that are barriers for extension of trade.

According to him, this is beyond the nationalization of national capital. This was simply a new policy of capitalists who want to maximize their benefits in world economy. To satisfy this demand, the mechanism of the center states is being strengthened militarily and economically, while the state mechanism in periphery countries is being weakened. By this way, the periphery countries usually open to external pressures. (Williams, 1996, p. 340) This policy is very easy to apply for GCC countries due to their already existing weakness in terms of population, policy and land. That is why priority of trade transaction is belong to western companies and they (For instance Adnoc an emrati¹¹ company) even can't sell their petrochemical products without taking permission from BP Chevron or sort of western oil cartel companies to, for example, russian or turkish ones. (Akdoğan F. Z.-M., 2015)

Wallerstein also assert that; transition to capitalist world economy started with the fact that the powers that ensured capital accumulation within the country took other states under their domination militarily and economically. He considered the formation of capitalist world system as a product of world economy rather than a product of a nation - state. According to him, concentration of the military power in the capitalist centre countries generate a non-equivalent power which is being used as a significant tool to turn and make the other regions of the world a part of the capitalist world system. Based on the accumulation and due to the nature of capitalism that necessitate imperialist expansion, leads other regions to integrate to this capitalist system. Beside this, because of division of peripheries and semi-peripheries among themselves that constitute most of the world economy, they divest themselves of common action policies against center countries. (Williams, 1996, p. 338 - 343) The reason for that; groups that is inside the center of semi-periphery also take a share from this exploitation.

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¹¹ Description of anything that belongs to Gulf region.

In conclusion, even if Wallerstein explains international economic relations via model of capitalist world system, liberal political economists have always criticized him because of his emphasis on exploitation of peripheries through international trade of center/developed countries. Basically, while perspective of structural political economists do not evaluate international trade, multinational corporations and other international trade institutions apart from existing power distribution in international system, this perspective emphasis that asymmetric power distribution not only ease developed countries exploitation of underdeveloped/developing ones, but also it turns the exploitation to a structural state. In early times, by military invasions these exploitations have been occurred but later on, even though they gained their independence, exploitation has continued by intense political economy of center countries. (Cox, 2004, p.76)

3. IMPORTANCE OF OIL AND ITS IMPACT ON REGIME SECURITY IN THE GULF

3.1. Gulf Oil in Global Economy

Natural resources, especially energy resources are necessary for human communities and essential for modern industrialized countries to upgrade their levels and maintain it. Resources those are very vital for national security, and when these resources are in danger in terms of accessing them, cause powerful nations to use strength to handle it. A recourse that determining the policy of any country's national security, could be measured by accessing to the resources that have an impact on its political, economical and military development of that country since oil enclose every aspect of life.

In this frame, there is no energy such as oil that penetrates people's life back in the history. From warcraft to war machines, in the process of heating up and transportation, from medicine industry to the textile, electricity, plastic, makeup industries; in many area, the oil has been used as a raw material (Bryce, 2011, p. 1-5) From this perspective it wouldn't be wrong to say that oil renders policy and the economy relationship more vital level in the Gulf region. What is more important for the study, this hydrocarbon creates an **Oil Shield** for these arab countries against outsiders, primarily Iran and the rest regional neigbours; Yemen, Syria and Iraq

In near future it is not been forecasted that there would be fully substitute resouces instead of oil or natural gas even though there are many alternative energy sources that has been used in variety of industrial area. Particularly in transportation scope this has not been projected in near future. This assumptions also supported by World Oil Outlook report of the 2016 by clamining that;

"Most of the oil consumed today and in the future will come from the road transportation sector. In 2015, sectoral demand totalled 41.6 mb/d, which represented 45% of the overall demand. Demand is expected to continue increasing and reach 47.8 mb/d in 2040. The relative weight of the sector in global demand is expected to remain roughly constant in the medium-term, before assuming a slow downward trend. By 2040, the road transportation sector will represent 44% of total demand..."

Moreover, the strategic importance of resource has been measured by demand, possibility to access, area of utilization and substitution sources, (its price and amount of it), liquidity of that source and allocation or distribution of it among the countries. (Klare M. T., 2001, p. 27) Accordingly, when we combine all these measurements, recently it is pointing out the hydrocarbons such as oil and gas.

When we consider even all of these we can recognize or estimate that oil would be an indicator on national security plannings for along time. Without oil, war machines wont launch up, people can't do their daily processing and even people can't go in any time zone from one place to another. On top of all these, of course due to these reasons the more you are developed higher your demand goes up. Oil consumption has been increased in the beginning of 1900s. in the world. The amount of consumption of oil began for medicine and lightining industries by using few hundred thousands barrels, now suddenly fat hit the fire and reached daily demad for millions tons of barrels. In other words; from on now daily, more than 100 million barrels are being used in the world.

In this context, we are consuming monthly 2 billion, annually 24-25 billion barrels of oil in the world that is equavelent to the existing proven reserves of USA. Industrialized countries perform most of the oil consumtion. Therefore according to this, USA, daily comsumes 25% of the world oil production. U.S energy Information Administration report that has updated in 17th March 2016, average consumption of USA is currently 19.4 million barrels per day. (EIA, USA Energy Information Administration, 2016, p. 1) Today, after USA and Japan most of the consumption carry out by China, and it has been projected that in near future China could have get ahead of Japan in terms of oil consumtion.

Asian Far East countries those whom have been considered oil deprived nations, consume almost 28% of world oil production. In the future it has been anticipated that there wouldn't be any dramatic increase in consumtion of oil in USA, EU and Japan whereas it has been projected roughly that countries such as India and China are going to occupy remarkable share of expected more than 100 billion barrels daily consumption after few years.

When we look up today's datas about consumption in BP or Opec report we can clearly see that oil comsumtion in the world reached almost 100 million barrels per

day. Not only the usage of oil but also as hydrocarbon energy source, natural gas will increase dramatically according to the report. Figure 2 indicates that Gas demand, as an energy source tremendously will increase in the future.

mbeo/d

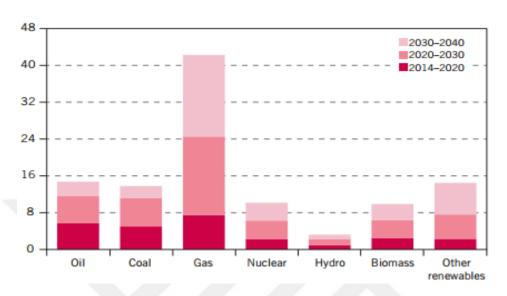


Figure 2: Growth in Energy Demand by Fuel Type, 2014-2040

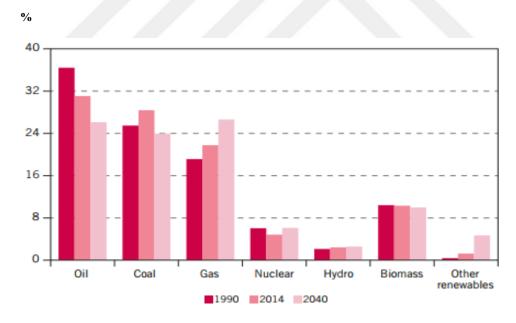


Figure 3: Change in Fuel Shares in the Total Energy Mix, 1990-2040

Figure 2-3, Source: (World Oil Outlook, 2016, p. 66-67)

The share of oil in the energy mix is projected to decline by 5 percentage points while the share of gas is forecasted to increase by 4.9 percentage points (Figure 3). The share of coal is forecast to decline by 4.4 percentage points.

Researches in recent years indicate that while primary oil importer countries are USA, China and Japan, it has been anticipated that – in line/parallel with economic growth of them - India and other developing countries will become one of the fastest oil and gas consuming countries also. As you can see uppermentioned informations of this study emframing the importance of these hydrocarbons for global economy, which actually automatically brings the concept of 'Gulf Security' into the question. Because oil itself one way another is the nexus of the security in the region.

Non of the energy dependent developing or developed country will ever favour the injuring of these resources since world's eye is onto them. If we need to give an example in the late history of the Gulf, as most of the USA's presidents claim, Jimmy Carter also in 1980 has had indicated in his doctrine that the United States would use force if it needs to defend its interests in the Gulf Region. Securing the energy resources in the Gulf is our primary interest of the nation (Ulrichsen, 2009, p. 4) However, not only the USA's interest is in the region but also as belowmentioned table indicates that the Developing countries growth rate directly proportional the need of energy for its whole purposes.

Table 1: Long Term Real GDP Growth Rates in The Reference Case

	2015-2021	2021-2030	2030-2040	2015-2040
OECD America	2,4	2,6	2,4	2,5
OECD Europe	1,7	1,8	1,7	1,7
OECD Asia	1,5	1,4	1,3	1,4
Ocenia	· ·		·	·
OECD	2	2,1	2	2
Latin America	1,9	3,2	2,8	2,7
Middle East	3,2	3,3	3,2	3,2
Africa	·			
India	7,3	7,1	6,4	6,9
China	6	5,1	4,1	4,9
Other Asia	4	3,9	3,5	3,8
OPEC	3	3,3	3,1	3,1
Developing Countries	4,8	4,7	4,2	4,6
Russia	1,2	2,3	2,1	1,9
Other Euroasia	2,4	2,8	2,6	2,6
Euroasia	1,7	2,5	2,3	2,2
World	3,4	3,6	3,4	3,5

Source: (World Oil Outlook, 2016, p. 42)

It has seen that global growth is mainly noticed by developing countries, with the average growth rate for uppermentioned findings forecasted at 4.6% p.a. for the whole forecasted period. In the OECD region, growth averages 2% p.a. and 2.2% p.a. in Eurasia. In the OECD region, OECD America light up because of its higher

growth rates compared to rest of OECD sub-regions. When the population increases partly due to migration to USA, have had an essential effect on growth forecasts. Actually, according to projections from the UN, for the forecast period, USA is the region to where many migrants go. It is expected to receive around 25 million immigrants between 2015 and 2040. GDP growth in India and China is really attention grabbing within the developing countries, with rates estimated at 6.9% p.a. and 4.9% p.a., respectively, over the estimated period. (World Oil Outlook, 2016, p. 44)

Beside this, regional accumulation, oil import of EU and Asian Far East counties are quite a lot. By year of 2015, the raw oil import has been %27 in USA, 26% in EU and 12% in Japan, and by the end of 2016, datas are occurred almost in these frames. However, there are differences between increase in demand and stable or vast amount of oil consumtion.

For Instance, USA may import 27% of world production but increase is maybe %2 where as China import 13.4% oil but incease is 5%. Therefore, demand of these developed countries will be stable or decrease while fastest growing economies China and India demand tremendously has enhanced in 2015-2016. It has been estimated that by 2025 oil consumption of India will increase to 7-7.5 million barrels while China's oil consumption will increase to 15-20 million barrels per day by 2020, which is already almost 11 million barrels. (Tempest, 2004, p. 5)

While Countries of Asia – pacific region meet more than 50% of oil import from Middle East Countries, in general Saudi Arabia continue to procure between 20-25% import of oil demand of USA. According to USA ministry of energy, in the future if there will not be discovred inavative technology to find new reserves, increase in oil consumtion by 2% in every country may cause the exhausion of oil reserves between 30-40 years. (El Badr Ibrahim, 2007, p. 18; Johnson, 2002, p. 1)

On the other part, when we base on previous consumption datas, for example in 2005 it has been claimed that oil resources lifetime will be between 40 – 45 years old. According to USA Information Energy Administration (IEA), enhancement of fast growing demand of oil in 2005 will continue due to the effect of global economic growth. On the contrary, by years we are recognizing that reserves of world oil resources increase, that is shown below on table

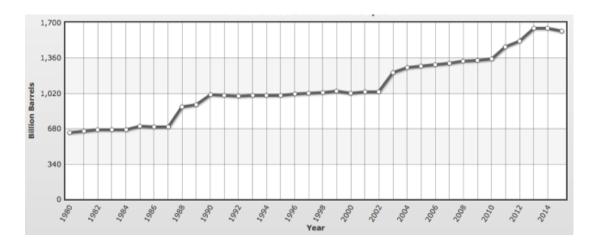


Figure 4: World Crude Oil Reserves by Year

Source: United States Energy Information Administration (EIA, USA Energy Information Administration, 2015)

According to explanations of IEA that is consultanting to 26 industrilized counties about energy policy, emphasizes that world oil demand has reached to 93.5 million barrels daily, which is 2.2% increase in 2016. Thus, as report proclaim the increase in demand of oil, we may assume that securing the Gulf region will be the first duty of developing and developed industries.

According to IEA oil market report in 2005 it was written; 'In contrast with absolute increase in oil prices, comsumption of oil tremendously increasing... Our projection for 2005 is; world economy is going to relatively enhance by 4% growth...' IEA also claimed that; 'expectation of China's increase in oil demad by daily 800.000 barrels has fallen today to 500.000 barrels daily.' Lastly in report asserted that; demand in oil at North America also decreased and said in 2005 it was 530.000 barrels but currently decreased to 260.000 barrels daily. (ntvarsiv, 2005)

Thereby, in the recent years it has been claimed that constraint oil reserves will exhausted and due to limited oil reserves together with increase in oil consumption, are going cause competitive realm or wars to access these noted oil field. (Ayhan, 2005, p. 89) Of course from this perspective we can claim that these fewness of the resources make them very valuable and States those are strong enough may wish to control these fields by using power, taking down and eliminating rest of the competitor. Therefore according to these thoughts we can assume and underscore that oil as a hydrocarbon is very essential and it could be weaponized if it is being used correctly. However, talking about oil as a reason for conflicts or not, and

answering the questions on which part of the world these conflicts will occur, we have to focus on allocation of the reserves on the regions. On the other hand, according to the upermentioned table of oil reserves by years that indicates us, ascendance oil reserves rather than an expected (rumours or assertives of exhaustion of oil) descent.

3.1.1. Oil in Middle East and The Market

According to 2016 Opec's annual report, total approved raw oil reserves in the world is 1.492,2 billion barrels. Eleven countries of OPEC members hold 82% of total oil reserves. This means approximately 1.213,4 billion barrels of the total reserves. Besides absolute amount of oil reserves only in Middle East region is approximately 1.101,8 billion barrels. Some of essential part of it, such as 266 billion barrels in Saudi Arabia, 158 billion barrels in Iran, 142 billion barrels in Iraq, 97.8 billion barrels in UAE, 101 billion barrels in Kuwait and 25 billion barrels in Qatar. However Qatar is also the 3rd richest natural gas reserve holder in the world. Out of these countries if we subsract Iran having population of approximately 81 million, total population of rest of the five countries is around 55 million. (Opec, 2016)

In another words when we put Iran out of the equation, we can claim that total energy resources of the world is in hands of these 55 million people. Besides this, crucial reserve holders other than these countries, Libia and Algeria are being accounted as in the Arab World. Therefore in the region that begins from Iran until Algeria we assume that around 1.101,8 billion barrels on these fields.

Population of Libya is 5.5 million and Algeria's population is 32 million, total raw oil reserve of these two countries respectively: around 48 billion barrels and 12.2 billion barrels. In this frame, something calling our attension that oil the most strategic enegy resources is not distributed fairly as territorial and regional.

When we focus on the 2016 bulletin datas of OPEC and if we extend frontline of oil reserves till Caspian side, we face different scenario. Therefore, according to this, when Azerbeijan and Kazakstan are included this equation, total oil reserves in Central Asia and Caucasia together with oil reserves of, as always ex-president used to indicate 'Greater Middle East Initiative', exceeding the 1.200 billion barrels. But of course, it is crucial to indicate that, this numbers are the proven oil reserves. As a result, even if considering proven reserves, 40- 50 years in the future, world's

developed counties are going to depended on region that is being called 'Greater Middle East Initiative' (Opec, 2016, p.4)

As we have mentioned above, it has to be driven attention on the other world energy resources that is increasing its share in the energy sector, such as natural gas. Because in general when energy is being pronounced, always oil comes to mind first. Infact natural gas itself is having essential share in the consumption of energy, and if one day reserves of oil are being descended, consisted blank due to lack of oil reserves, will be replaced by natural gas.

In 2005, natural gas reserves according to Opec datas was 60 trillion and 340 billion m3 and in 2015 this number has increased to tremendous stage that has come out as 201 trillion and 966 billion m3. Like in the oil, Middle East region is holding the richest natural gas reserves in the world. According to energy institute of Turkey, Middle East region (Iran, Iraq, Kuwait, Qatar, Saudi Arabia, UAE) it self holds only holds 79 trillion and 430 billion m3. (Report, 2015, p. 15)

In other words, almost 40% of natural gas reserves available in this region. The other richest share is being holded by Russia with 49 trillion and 541 billion m3. The rest of the significant amount is available in former soviet republics. (Energy Institute, 2016)

Yet, we shouldn't move onward base on current ratios since natural gas is newly used energy resources. It doesn't have history of 80-90 years old. Relatively, it is new market, comparing with oil time line. In deed, for example, reserve of Qatar in 2000 was 5 trillion m3 and this number has tremendously increased to 25.47 trillion m3 in 2015. In this context as we have mentioned before, other Gulf countries has also significant number of reserves.

Like we did previously by extending oil reserves route from Algeria till Kazakstan to see the schema of reserves, we can consider same route for natural gas also, that will show us almost same ratio has taken place in oil reserves. (Altınok, 2015, p.38)

As so for the oil, for proven natural gas reserves also we can say that by referring former president Bush; almost 75-70% of the reserves are available in the 'Greater Middle East Initiative' region. This causes Middle East to be the center of comptetion for energy resources. Of course, when we think about rivalry, not only in

production but also storing, refining, transporting and controlling the market network will come into prominence.

When we look at the impact of these sources on oil companies and global trade, in 2003, oil consumer countries paid about 240 billion dollars to OPEC members for petroleum purchase. While in 2004 it was expected that this figure will reach 290 billion dollars, the petroleum price rised to around 60 dollars. Despite the dramatic decrease in oil prices, it is expected that the petroleum income of petroleum producer countries will be at least 400-450 billion dollars for 2017. (Statista, 2017, p. 1)

However, as it is well known that OPEC geographically includes Latin America and Africa, where the net sales of Middle Eastern countries are not very noticeable. Whereas, when we take this to a geographical simplification, we encounter a different scene. Accordingly, for example, in 2003, the Middle East countries exported about 185 billion dollars of oil. If the prices were 30 dollars, the oil revenues only of Saudi Arabia, Kuwait and BAE would be 110 billion dollars according to our calculations. Adding the oil revenues of Libya and Algeria to the Middle East countries revenues we reach a sum of 210 billion dollars. OPEC's daily oil exports in 2003 amounted to about 19,500 million barrels. (OPEC, 2004, p. 21) Considering that OPEC countries performence more than about 50% of the world's total oil exports (with changes from year to year), the amount of cash money returned in crude oil exports per year (the average price of the barrel is 30 dollars) is over 500 billion dollars. Therefore, every year oil buyers pay about 500 billion dollars for absolute crude oil purchase when oil prices are in between USD 28-32 bands. The amount of money that is going around in the oil market every year is rising up to 2 trillion dollars when the taxes applied by the countries are added to transportation and refined oil prices. (Ateşoğlu, 2015, p. 22)

OPEC countries earning \$ 120 billion (value of 2016) from oil sales in 1998 had total revenues of 1.7 trillion dollars between 1991 and 2000. These figures were around 2.3 trillion dollars in the 1980s (value of 2016) and around 3 trillion dollars in the 1970s. Between 2001 and 2004, OPEC countries' total oil revenues were around 250 billion dollars annually. A comparison of 1990s to the 1970s shows those OPEC countries' incomes have declined by about 60%. OPEC countries are expected to earn around 450 billion dollars' revenues in 2016 and 2017. However, due to the high oil prices that have been continuing since 2005, the OPEC countries have

earned significantly higher than expected. On the other hand, the change in crude oil prices also affects non-OPEC member oil producing countries. In particular Mexico and the Russian Federation are leading non-OPEC producers affected by changes in oil prices.

It is estimated that the Russian Federation alone generated approximately 86 billion dollars revenue from oil sales in 2004. In this context it should be noted that the oil producer countries earn a considerable income from the sale of oil. However analyzing these datas within the last 3 years, the price of Brent oil, which was 114 dollars on 1 March 2014, has dropped by 50% with 51 dollars as of March 16, 2017. (Mynet finans, 2015; Hanieh, 2011)

The increases and decreases in petroleum trade and oil prices lead to the transfer of income between countries. While high-energy prices lead to an inflationary economy in importer countries, (LeBlanc, 2004, p. 3) this then affects economic and political stability in those countries. That is to say, when the unit price of petroleum, which is a direct production input, is increasing, the production costs are increasing; Increasing production costs lead to higher prices on the market; When the prices are increasing the demands are falling; low demands reduce the state's tax revenues; The state that is deprived of tax revenues is being dragged into the economic depression; The weak economy reveals the powerless state.

The budget deficits, due to the loss of tax revenue in the country, increase the borrowing requirement and this time the interest rates are starting to climb in international credit institutions. (IMF, 1984, p. 76) The states that apply to credit institutions such as the IMF are becoming open to external intervention by the major powers. According to Veysel Ayhan 10 dollars increase in oil prices means a drop in GDP of 0.5 percent, a decline of 255 billion dollars in the world economy, a 150 billion dollars income transfer from oil importing countries to oil exporting countries worldwide. Oil prices, which have been in the 25-30 dollar band for a long time, rose to 45-46 dollars first and then 60-65 dollars at the beginning of 2005. (Opec, 2016, p. 7)

This reveals the fact that the countries that import petroleum have transferred extra 600 billion dollars to the petroleum producing countries. Also Veysel Ayhan

indicates that 10 dollars price increase leads to a worldwide increase of 0.1% in unemployment, leaving 400,000 people unemployed. (Ayhan, 2005, s. 55)

As a matter of fact, Deutsche Bank Chief Economist Norbert Walter assumed that the recent rise in oil prices would slow down the world economy's growth rate. Drawing attention to the fact that consumers will have to separate a greater portion of their income for energy, Walter noted that this would adversely affect the world economy. Walter argued that high oil prices posed a major risk to the world economy and that oil prices were incredibly high. (Walter, 2007)

The most profitable countries of the oil trade are those countries that produce oil themselves. As mentioned above, OPEC countries and countries such as Russian Federation, Mexico and Norway are the ones that take an important share in this trade. Some of the producer countries that earn a high income due to the high oil prices are also pursuing a policy of deepening oil-focused international crises. For example, at the beginning of 2002 and early 2003, the Russian Federation followed a policy of generating a substantial income from high oil prices by expanding the Iraqi crises in the long term. Unlike Germany and France, Russia whose one-third of tax revenues are based on oil, wanted to keep the crisis going for a long time and thus spread the excess oil income to its economy for a longer period. (Freedman, 2002)

When talking of oil trading it would be a mistake to just focus on the money that comes from selling crude oil. Significant amounts of money assume also a role in the process of transporting, refining and presenting crude oil. Oil transport in the world is commonly done with oil pipelines and oil tankers. National oil companies usually own the pipelines in OPEC countries. In other words, these pipelines are state-owned.

Sonatrach in Algeria, NIOC in Iran, INOC in Iraq, KOC in Kuwait, QGPC in Qatar, Aramco in Saudi Arabia (Riyadh / Khurais line and Abqaiq / Yanub line belong to Petromin), PDVSA in Venezuela the oil pipelines in the country are owned by the companies and so owned by the state. These companies are also responsible for the sale of crude oil. However, as we will touch upon below, they are also facing a serious privatization pressure in recent years. While the number of oil tankers owned by the Middle Eastern producer countries (whose capacities are very low except a few) does not exceed 90, this number is 3,670 in the world.

The Middle East countries, which have the most important reserves of the world, have a very insignificant share of 4% of world oil transportation. The same ratios also appear in petroleum refinery. Middle East's share in world oil refining (year 2015) is about 7.7%. However, the most important share in world oil refining belongs to oil companies. Multinational oil companies are generating significant revenues in refining and marketing. To better understand this, it is useful to look at the annual incomes of oil companies. (Hydrocarbons-technology, 2013)

Four of the top 10 companies in the world's top 500 companies list, prepared by Fortune magazine in 2016, were oil companies and four were automobile companies. According to Fortune magazine, last year's revenue of the world's top 500 companies reached 14.9 trillion dollars and profit reached 731.2 billion dollars. Whereas the revenue of the world's top 500 companies in 2000 were 14.1 trillion dollars. According to the ranking, the world's four largest oil companies were BP, Exxon Mobil, Shell and Total, and automobile companies were GM, Ford, DaimlerChrysler, Toyota Motor. In the ranking of the biggest companies of Europe, BP became the first, then followed by Shell, DaimlerChrysler, Total companies. Toyota Motor became the largest company in Asia. In the ranking of the world's most profitable companies, Exxon Mobil ranked first with 21.5 billion dollars in the US, Citigroup 17.9 billion dollars and GE earned 15 billion dollars. Shell in Europe 12.5 billion dollars, BP 10.3 billion dollars, Asia Toyota Motor 10.3 billion dollars were in first place with profits. (Fortune 500, 2016) The annual profits of oil and automotive companies that complement each other seem to exceed the national income of many developing countries.

In order to better understand the effects of the oil companies, it is necessary to look at their current accounts as well as their net earnings. For example, while BP's revenue in 2015 was 236 billion dollars it increased to 295 billion dollars in 2016. In the same year, the net earnings of the company were about 14 billion dollars. The tax deduction of the company was about 8.3 billion dollars. ExxonMobil, on the other hand, generated about 237 billion dollars revenue in 2015, while the company's earnings were about 21.5 billion dollars in the same year. ExxonMobil, the company that earned the most in 2015, has revenue of 291.3 billion dollars in 2016. After paying about 16 billion dollars in taxes in 2015, the net profit was 25.3 billion dollars. In 2013, the Royal Dutch / Shell group generated about 254 billion dollars

revenue. While generating 337.5 billion dollars revenue in 2015, the Royal Dutch / Shell company paid about 15 billion dollars in taxes the same year. While in 2015, ChevronTexaco generated (Fortune500, 2016) billion dollars and Total 153 billion dollars revenue; the company's net after-tax revenues were respectively 13.3 billion and 11.9 billion dollars.

The revenue generated by the five major companies was about 1.2 trillion dollars. The company's tax expenses were about 57 billion dollars and net earnings were about 83 billion dollars. (Opec, 2016) In order to make a comparison, it is useful to look comparatively to the incomes of oil companies and producer countries. In 2015, OPEC member Qatar's oil revenues were about 7 billion dollars, while Kuwait's revenue was about 15,500 billion dollars. The net earnings of all OPEC countries in 2015 amounted to about 207 billion dollars. BP, Exxon Mobile, Royal Dutch / Shell, Chevron Texaco, and Total (in 2003 TotalFinaElf took a decision to use the name Total only) generated 805 billion dollars revenue in 2015. As can be seen, oil companies are generating considerable income not only from crude oil production but also from refined petroleum industry and sale points. (Opec, 2016)

To better understand power of companies in oil market, it is better to look at their scopes. These five big companies, while daily produce 10.7 million barrels raw oil in 2015, approximately 29.9 million barrels of refine oil product they have sold. Capacity of Opec's members is 10.6% by 2015. (Oil price, 2014) If we substract national refines, the rests are the companies in cartel position and their positions day by day get stronger due to their technologic and economic powers. The same companies according to our research by year of 2012 have paid around 65.5 billion USD tax to center counties. (Forbes, 2012)

Talking about origins of these companies we can say that; while Exxon Mobil and Chevron Texaco are American companies, Total is a French and BP is an English company. Royal Duch/Shell as for that is 60% Dutch and 40% is English. As have seen above, among these oil companies, mergers and acquisitions quite taking place. But we have to imply that, even though this mergers and acquisitions, from the beginin of 1900s till 1970s., these seven big companies still have power in oil markets and they have crucial position on exploring, refining, transporting and purchasing points. On the other side, about selling of raw oil, national oil companies have essential privilages. Especially, countries such as; Saudi Arabia, Kuwait, Iran

and Mexico, having their own national oil companies, have privaleges interms of selling oil in the market. But still, after selling of raw oil, multinational companies are in a position of cartel practicing stages such as; transporting, refining and marketing. In another words even if these national companies¹² do have privilages interm of oil rulling but they cannot get over oil cartels. Therefore important parts of the funds that rotate in oil market are being rotated by these cartels. (Kaim, 2008, p. 229)

When we glance over Middle East role in world oil reserves and consumtion firstly we should say that: Oil, a non-renewable source of energy, forms about 40-42% of the world's energy resources. 42% of the world's energy sources are made up of oil, 22% of natural gas, 22% of coal, 8% of sources like waterpower, solar energy and wind energy and 6% of nuclear energy. Since coal and suchlike energy sources emit harmful gases while being transported and consumed, and nuclear energy is both costly to establish and operate and also causes irreparable destruction of human and natural habitat when there is a natural or technical problem (such as the Chernobyl accident), that's why the consumption of oil and natural gas is increasing between all the other energy sources. (Duggan & Cloutier, 1975, p. 1-11)

Despite the increased consumption of petroleum by industrialized countries in particular, there are serious differences in the amount of reserves in the world and in the distribution of these reserves between countries and regions. The US, which had a significant oil reserves at the beginning of the 1900s, reached total reserves amount of 39.9 billion dollars by 2015 according to EIA (US Energy (EIA)) statistics, while Saudi Arabia, BAE, Iran, Iraq and Kuwait from the Middle Eastern countries have a total reserves of 71% with rich oil deposits. (EIA, 2016)

However, according to the Opec 2016 bulletin, it is watched as 36 billion barrels. The total world reserve is 1.492 billion compared to Opec data. (Opec, 2016) According to BP data, the amount of reserves in the Middle East increased to 858 billion barrels. The reserves of all Western European countries are about 50 billion barrels. (Opec, 2016) However, these figures are rather insignificant, even though when compared to the reserves of Kuwait, which is small in terms of both population

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¹² The Seven Sisters, all Anglo-Saxon, included the four Aramco partners—Jersey (Exxon), Socony-Vacuum (Mobile), Standard of California (Chevron), and Texaco—plus Gulf, Royal, Dutch-Shell and British Petroleum. See (Haghighi, 2007).

and geographical size. While OPEC member Venezuela, that is just beside the United States - the world's largest oil consumer- has 300 billion barrels and Canada 173.3 billion barrels reserves area, reserves that exceeding reserves of Washington. There is no such resource for Western European countries and the growing economies of the Pacific. (EIA, 2016) It should be noted that there are some minor differences between BP and OPEC statistical information regarding oil reserves. According to OPEC's 2016 data, the US reserve is around 36 billion barrels. The amount of oil in the former Soviet territory is 90 billion barrels.. The total amount of reserves in Western Europe is 17.4 billion barrels. In Africa, Libya with 39.1 and Nigeria with 35.9 billion barrels are the major reserve countries, followed by Algeria with 11.4 billion barrels. While the BP statistics on China provide about 23 billion reserve figures, OPEC assumes that this is about 25 billion barrels. (Opec, 2016)

However, besides oil reserves, oil production in the world is also important. The oil production capacity of the countries is particularly important in terms of the oil price and the rising oil demand. In this context, it is necessary to look at the oil production of the countries presented in the appendix below.

Table 2: World Crude and Liquid Fuils Production Growth

Annual Production (Million barrels per				Production Growth (Million			
	day)			barrels per day)			
Region / Country	2015	2016	2017	2018	2016	2017	2018
OPEC Countries	37,967	38,999	39,214	39,862	1,033	0,214	0,648
North America	22,259	21,908	22,654	23,881	-0,352	0,747	1,227
Canada	4,511	4,593	4,695	4,873	0,082	0,102	0,178
Mexico	2,625	2,489	2,339	2,323	-0,136	-0,150	-0,016
United States	15,124	14,826	15,621	16,685	-0,298	0,795	1,065
Russia and CaspiSea	13,919	14,049	14,162	14,177	0,131	0,112	0,015
Russia	11,030	11,240	11,190	11,167	0,210	-0,050	-0,023
Azerbaijan	0,858	0,844	0,781	0,750	-0,015	-0,063	-0,031
Kazakhstan	1,751	1,698	1,906	1,973	-0,053	0,208	0,068
Turkmenistan	0,280	0,267	0,285	0,286	-0,012	0,018	0,001
Latin America	5,350	5,257	5,401	5,533	-0,093	0,145	0,132
Argentina	0,710	0,692	0,687	0,687	-0,018	-0,005	0,000
Brazil	3,183	3,234	3,427	3,556	0,051	0,193	0,128
Colombia	1,029	0,912	0,870	0,865	-0,117	-0,042	-0,006
Other Latin America	0,428	0,418	0,417	0,426	-0,010	-0,002	0,009
Other Non-OPEC	17,241	16,958	16,865	16,711	-0,283	-0,093	-0,154
World Total	96,736	97,171	98,296	100,164	0,435	1,126	1,868

Source: Short-Term Energy Outlook, June 2017, https://goo.gl/9YUHNG

Base on the table that has shown above, it is being understood that frequently increasing oil production detached to oil consumption in the world. With no doubt,

comparing to nucluer energy, oil is more preferable due to factors such as nature affirming and easy transporting, and these cause increase in oil consumption.

Nevertheless, these factors are not the only ones could explain the causality, in my opinion, it is actually necessary to add these factors; price instuments too for better understanding. In another words, if oil prices were at the pick or high level, relatively human being would probably substitute oil and looking for alternative energy resources.

Again if we turn back to the subject of speed-ups in oil production, 1990 daily oil production in the world according to IEA is 66,2 million barrels. This number has increased by 30 million barrels in 2013 and become 90,1 barrels. Beside, for example, when we look at previous datas of 2004, according to OPEC, demand that has increased by 2.7% which is 2.1 million barrels in 2004, same has increased by 2% (1.6 million barrels) in 2005. Globally that was anticipated to reach 82.5 million barrels (Ayhan, 2005, p. 57) Therefore, that had been said about 2015 the increase, which would have been 95-96 million barrels daily which currently in 2016 took place as 97.2 million barrels daily. (EIA, 2016)

In this frame, The Middle East supply almost 30% of world oil where the consumption share is almost 6% Comparing to its reserves, countries of Middle East consume very less amount of oil. Therefore, we can say that oil surplus is the subject of the Middle East oil producers. It is possible to include all oil poor counties together with those industrialized center counties that are the big buyers of oil from GCC, that export most of their oil production. Yet, import of countries those having inadequate oil reserves but consuming in no small measures of oil, is much more important. For sure oil production and consumption are concern of the world. By no means there is country that doesn't stand idly by this. Same susceptibility is in the consumption of oil. It could be get closer to the case or incident with in the scope of or pursuant to supply – demand balance of economy. This case again could take us to price mechanisms. Further more there is also security dimension of the production and consumption. In another words any problem of oil production in the region could turn into a huge international economic trouble. For example; The Russian oil company Yukos that produce 2% of the world oil have gotten into trouble with Russian authorities in 2004, turned into an international crises suddenly. The incidence that have caused crises, pumped up the per barrel price of oil, have caused the highest price of last 21 years in USA. (Ayhan, 2005, p. 67). In this frame, lastly it is better to look at the table down presented by 2016 bulletin of OPEC that indicates oil prices since 1970.



Figure 5: Brend Crude Oil Rate¹³

As it is seen in graph, there is a direct relation between oil prices and crises of Gulf countries they were into. This situation could be the indicator that long term security problems if occurs in the Gulf, urges crises of many countries interms of economy, social and political mean. In this context, utilizing almost every peni of their constrainted resources and more than 65% of income depend on hydrocarbon revenues the security for Rentierist Gulf Counties those are less populated and geographically small in size, depend on oil and gas and use it as a sheld is absolutely normal.

3.2. Rentierist Characteristics of Gulf Cooperation Council (GCC)

The current state of the Middle East is usually thought of as a result of public problems that have arisen due to Westernization. But this statement is not a precise reflection of the GCC¹⁴ countries. Comparing other rentierist Middle East countries, GCC states are much more stable interms of all dimensions. We can assert that Oil not only ensample economical and political interaction, but also connects the domestic, regional and international political economies. The processing of oil for global economy and security in the interwar years—but especially right aftermath of

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¹³ Retrieved from https://goo.gl/V82tXq

¹⁴ Gulf Cooperation Council: Economic and Political alliance of six Gulf countries—Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman. The GCC was found in Riyadh, Saudia Arabia, in May 1981. Actually the main motivation of this establishment is like the NATO's Pact and its 5th code; collective defence means that an attack against one ally is considered as an attack against all allies. However in principal and in general they come up with financial, cultural and political integration. (GCC Oil Potential, 2012, p.2) For further information, GCC is going to be elaborated economically and politically in the end of Chapter 4.

World War II—encounter with the disclosure of the Middle East as a potentially huge area of oil richness, at the same time with the revelation of state formation in the region. First oil has found in Iran in 1908, then in Iraq, followed by the Arabian Peninsula and North Africa.

Middle East producing most of the world's oil was it a case in history with low prices? This oil development has had an amazing effect not only on the region's connection with the world economy and its relations with the major powers, but also on political economy at the domestic and regional levels. In particular, one major area of analysis has been the effect of oil revenues on the political and economic development of exporting states, like in the theoretical part of this study we claimed that oil is a tool that politically and economically help them to stand on their feet by renting their natural resources.

The study hypothesis was about the rentierism of GCC states, in which we claim; 'due to rentierist characteristic of GCC states, their rejime survivalism will be still. In other words, Rentierism helps them providing a 'Shield' for their monarchy or family rulling. But the real question is; Do this applicable to all rentierist countries? Was it the case for Iraq or Libia whose more than 40% revenue share almost depend on hydorocarbons such as oil and natural gas? Ofcourse the answer is no! For example: The author called Joseph Sasson whose book of 'Writing the Modern History of Iraq: Historiographical and Political Challenges' put forward that state revenues of Iraq, vast amount of it depends on oil revenues since 1950s. and Libya depends 58% and Bahrain 55%. Among these countries currently only Bahrain is in the position of stability. The rest has faced uprisings and invasions of externals.

Therefore in the beginning, my hypothesis seems to have contravesial sides but it actually emphasizes only the characteristics in other words, futures and properties of the rentierism itself. Because, as we have mentioned not every rentierist state stay still by these characteristics. And not the rentierism as a whole could constitute an 'Oil Shield' for their rejime survival. It is essential to look at the realm of Rentierism and how its certain characteristics form an oil shield for GCC states.

Defining rentierism through referencing sort of scholars, base on the information previously we have mentioned under the concept of Rentierism in 2^{nd} chapter of this

study, it is now time to explain simply and in general how these rentierist characteristics of the GCC states provide them a shield for the regime?

The answer of this question in our opinion is simply about how these 'allocation states' manage their income and do they diversifying their national revenues. (Ozdemir, 2012, p. 3-11) According to my thesis there are three key points needed to be internalized by GCC states to benefit from their rentierist characteristics, in order to protect the current regime, otherwise rentierism itself could turn to a curse if not applied;

- 1. Equal distribution in a social manner of the hydrocarbon revenues to masses in a social state manner.
- 2. Ensuring harmony and peace between state and society
- 3. Fair practices of expanding centralized bureaucracy, (expanding due to rent revenues held and controlled only by government)

Why these points are important? Because we know that a small part of the population is in the process of obtaining rent incomes. On the other hand, the majority of the population is in the process of using and distributing income from the rent. For example; There is no need for a large number of workers to extract oil from the underground: only 2% to 3% of the population is actively involved in obtaining oil revenues. Up to 2% to 3% of labor is involved in the production and distribution of oil wealth, which in some countries accounts for 60% to 80% of GDP of oil producing countries. (Beblawi, 1990, p. 76)

The total productivity of the population is affected by this negative outcome; because most of the population prefers to have their lives and livelihoods subsidized through government-provided welfare services and subsidies, unless the economies of the rentier states are diversified. At first sight this could be the seen a negative situation for a country but it is actually a sine qua non for GCC states. Because as we know RST indicates that nations whose revenues consisting more %40 of sole commodity are the rentierist states and one of its future is to be taxlessness government. Thus if these countries diversify their economic areas and starts collecting taxes they might be named as post or late rentierist states (Gray, 2011, p. 51)

In rentier states rent income is directly obtained by the state. In this sense, the state is responsible for the distribution of rent income. The influence of the political

authority on the economic and political scope is also increasing due to the fact that rent income has a significant share in total GDP and that these income flows directly into the ruling government. As a result, the bureaucracy is heavily centralized and starts processing of enlargement. In consequence of income generated through external sources, pressures on taxation of citizens on renting states are also diminishing. The lack of taxation reduces the demands of citizens for democratic representation. Even though one of prominent chracteristics of rentierist state is lack of democratization the study of Matthew Gray below in the table indicates that responsive, globalized rentierism with some protectionist and active Economic Development policy seen in the GCC states.

3.3. Summary of the RST Stages

In this part of the study, as we have mentioned below, trying to summarize the progression and development process of the rentierism theory in a chronological stage by indicating the key point and basic arguments of them in three stages. Down in the table we have tried to point out followings for all three stages; phases, features and its author – relevant scholars – and the countries where authors mostly concentrate on together with time period covered by these authors.

Table 3: A Summary of the Phases of RST in the Arab Gulf States

Phase	Characteristics	Relevant Author	Countries and Period Covered
• First Phase (Classical RST)	 A systemic explanation of the state and state-society relationship The state earns a large majority of its income from external rents The state is highly allocative, with high social spending and little or no taxation applied to nationals The state is autonomous from society (i.e. free to act and spend rent as it wishes once it has spent sufficient funds on society) The state does little/no economic or development policymaking • The state is typically corrupt and wasteful, but this has few political implications because of its autonomy Elite political relations are managed through neopatrimonialism (but a neopatrimonial system need not necessarily be rentier) 	 Mahdavy (1970) Beblawi (1987) Luciani (1990) 	 Iran 1960s-1970s Arab states of the Gulf 1950s-1980s Also applied to Iraq 1960s-1980s and after; and other industrial economies such as Algeria 1960s-1990s, Egypt 1960s-1980s, and Jordan 1970s-1980s
• Second Phase (Specialized RST and Conditional RST)	Specialized RST: • In effect, a more nuanced and sophisticated version of RST — e.g. the state is allocative but applies some taxation; the state is only partly autonomous; the state does have an economic policy; the state's exact role varies within or across the macro-, meso-, and micro- economic levels — A reply to the criticism that early RST was overly simplistic — Still a systemic explanation of the state-society relationship Conditional RST:	 Crystal (1990) Chaudhry (1997) Hertog (2010) Davidson (2008; 2009) Herb (1999) Al-Rasheed (2010) Jones(2010) Foley(2010) Schwarz(2008) 	 Various; case studies were usually one or several Arab Gulf states Usually covering a period in the 1980s, 1990s or 2000s; sometimes earlier, e.g. Chaudhry (1997) covers Saudi Arabia and Yemen up to the 1980s Wider studies may include other monarchies, e.g. Jordan or Morocco (Herb 1999) or occasionally others (Chaudhry 1997)

• Third Phase (Late Rentierism) • Argues that late rentierism creates a particular type of state that is more responsive, globalized, and strategic in its thinking. — Late rentierism stems from forces such as state maturity, experience with impacts of the 'oil curse', globalization, the need for a state role in development and/or state capitalist tendencies among the ruling elite, and new social pressures for reform and development — It also acts as a reply to criticisms of the simplicity of early RST, and brings together multiple Second Phase RST arguments Argues that rentierism is a dynamic of state-society relations, not a structural characteristic of the state, and that earlier RST, especially classic works, are overambitious • This work The concept is implied or implicit in Moore (2004); Hertog (2010); Davidson (2008; 2009); Hvidt (2009; 2011); et al. • This work The concept is implied or implicit in Moore (2004); Hertog (2010); Davidson (2008; 2009); Hvidt (2009; 2011); et al. • This work The concept is implied or implicit in Moore (2004); Hertog (2010); Davidson (2008; 2009); Hvidt (2009; 2011); et al. • This work The concept is implied or implicit in Moore (2004); Hertog (2010); Davidson (2008; 2009); Hvidt (2009; 2011); et al. • This work The concept is implied or implicit in Moore (2004); Hertog (2010); Davidson (2008; 2009); Hvidt (2009; 2011); et al. • This work The concept is implied or implicit in Moore (2004); Hertog (2010); Davidson (2008; 2009); Hvidt (2009; 2011); et al. • This work The concept is implied or implicit in Moore (2004); Hertog (2010); Davidson (2008; 2009); Hvidt (2009; 2011); et al.		Argues that RST needed to be employed in conjunction with (an)other approach(es) RST was combined with: other political economy theories (e.g. business- government relations); international relations theories; history Also a reply to criticisms of the simplicity of early RST Less a systemic explanation of statesociety relations			
	(Late Rentierism)	that is more responsive, globalized, and strategic in its thinking. — Late rentierism stems from forces such as state maturity, experience with impacts of the 'oil curse', globalization, the need for a state role in development and/or state capitalist tendencies among the ruling elite, and new social pressures for reform and development — It also acts as a reply to criticisms of the simplicity of early RST, and brings together multiple Second Phase RST arguments Argues that rentierism is a dynamic of state-society relations, not a structural characteristic of the state, and that earlier RST, especially classic works, are overambitious	or implicit in Moore (2004); Hertog (2010); Davidson (2008; 2009); Hvidt (2009; 2011); et al.	•	Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab

Going back to our 1st and 2nd phase of rentierism, it is implied that; in rentier states the government that is on duty; the possibilities and capabilities of the citizens are increasing at the point of providing the existing regime loyalty. (Gray, 2011) In accordance with this purpose, the rentier states offer welfare services and subsidies to the citizens and so the government becomes the largest employer in the country, providing employment for the majority of the population.

These events, which are mentioned above, can lead to deteriorating democracy movements together with decreasing of commodity prices (eg.oil) may cause negative and political instability. From this perspective, welfare is directly proportional to hydrocarbon revenues and its management. Because of controling the rentierist income, the political authorities in the rentier states have the opportunity to determine the course and orbit of the economic and commercial policies. Economic strategies and policies are brought into force at the request of the governments and are largely financed by rent incomes. With the influence of the domination on the rent incomes, the political authorities that hold the powers in the rentier states prefer to implement policies and strategies that will increase their political power and eliminate potential opponents.

In this sense, governments in these states are using social and economic groups against each other and trying to achieve their loyalty. Therefore, business groups and businessmen need to show loyalty and support the regime in order to win tender and trade licenses. Businessmen and trade groups show loyalty to the political authorities and seek to get in close contact with the state and bureaucracy in order to benefit from lucrative opportunities. this is especially seen in all three stages.

Many of the economic activities that are taking place outside the petroleum sector lose weight and efficiency in the private sector as they are subject to government allowance, subsidies, support and protection. (Noreng, 2006) This, in turn, prevents the emergence of dynamic entrepreneurs that give momentum to economic development. In late rentierism these situations are argued and governments provide some oppurtunities as it summarized in the table above. However in the end whatever economic expansions they do, and despite having undertaken some marketization reforms, the Gulf is not economically neoliberal in orientation or inclination, and, in fact, regimes generally see neoliberal economics as fraught with

political risks. (Gray, 2011, s. 29) therefore only establishing balance between businessworld in country and state itself, rentier state protects its regime. Equal allocation of revenues or meeting the needs of the society and establishing a harmony between state and society is very essential to survive their rejime too.

3.4. State – Society Relations in GCC Countries

Another argument within these RSTs. abovementioned have relation with the nature of the rentier state and its relations with society. It is already being referred to the subject related to state – society relations previously. Yet since it is directly connected to GCC state's rejime survivalizm, it is better to broach the subject;

As we know that oil revenues that constitute income resources of a country are essential and it is paid directly to the country. Due to this reason it is claimed that the level of centralization in these states — oil producing- is high, and that state is at essential position in the economy. (Luciani, 1990, p. 64) Hence, 'the state is in a crucial mediator among oil economy and the producers (oil industry). (Hanieh, 2011, p. 11) However its duty is constraint to gain earnings and distribute to these among citizens (not the population but citizens). It is known that as a general employer (by distributing oil and providing employment opportunities in oil sector) the rentier states also provide services and goods for sake of public which as we have earlier mentioned that is called as 'allocation states or the distributive one' (Luciani, 1990, p. 71)

The administrative mechanism is not well- developed in rentierist states even though they are present in every realm of lives of citizens, which is due to taxless, or a few that applications by states. Thus, states those depend on extrernal incomes, they are deprived of 'extractive institutions and their beneficiary bureaucracies which include particularly legality and fiscally unlike states that place importance on capacity of extractive during state formation. (Gray, 2011, p. 6) But it is clear that these distributive states need to improve and enhance institutional development but relative connections like family kinship or croniysm is very effective and another political preference. (Altunişık, 2014, p. 78) That is why lack state capacity and institutional weakness seen in these rentier states. They depend on clientelism that creates a network for distributing these hydrocarbon rents.

Behaviour of rentier state citizens has also been a subject of matters. Rentier mindset is being developed in such economic structure some intellectuals claim, which actually indicate a distruction between work and reward causality. Reward that is income or richness is not related to bearing of risk and work, instead chance or current situation is important therein. (Levins, 2013, p. 386)

Plurality of the population are being reckoned as to refuse productive work, whereas accessing to circuit of rent is much more preferable by them. While rent seeking is the reason why local citizens refuse production, even cleaning or any other production is done by expats. (Kostiner, 2009, p. 18) In addition, without surplus extraction, it is argued that, and because of depending workforce of outsiders these community or societies can't improve theirselves and they could expose to depletion. Under this kind of situation, in rentier states structure of solidarity would instead indicate along religion, tribal or ethnicity. (Kostiner, 1998, s. 54)

Public employment, subsidies, welfare benefits or interest free loans are being used to distribute oil rents, in another words oil rents are allocated through these services. In extraordinary cases, as with the GCC states, annual oil incomes are allocated as award payment to the citizens. Consolidate power of these states composes of these allocation policies. Cultivating loyalty, and jeopardizing challenges from rival social groups oil money has helped the rejime survivalism of the rentier states. (Ulrichsen, 2009, p. 5) For instance when we look at oil effect in Saudi Arabia;

"The flow of oil export revenues to Saudi Arabia has produced broad-based effects on the political system of the state. In particular, 1948, the year in which Saudi Arabia began exporting oil, constitutes an important milestone in the history of this state. Since 1948, the Saudi state has entered into political, economic and social transformation processes. Between 1946 and 1948 the annual state income reached an average of 14-16 million dollars. In 1948, the annual state income exceeded 53 million dollars, and by 1950, 100 million dollars were passed over. The Saudi state has also entered into a comprehensive institutional process by gaining access to large-scale financial resources." (Ar1, 2002, p. 365)

Since oil revenues are directly handed over to the state, the institutional construction orbit and the oil rent distribution issues are determined by the royal family. During the 1950s, 1960s and 1970s, the country has witnessed the centralization and extreme

expansion of the bureaucracy. During the period of King Ibn Saud (1953-1964) and King Faisal (1964-1975), the state institutions were strengthened and centered to increase the power of the regime. The centralization and enlargement of the state bureaucracy has increased the sovereignty over the oil revenues of the Saudi state. (Bilgen, 2010)

First, the state has created comprehensive welfare services through oil incomes and increased the amount of subsidies offered to ensure the loyalty of the citizens to the regime. In other words, the regime in Saudi Arabia has distributed the oil revenues in such a manner that close and supportive groups are revived and strengthened. In addition, petroleum rents in large quantities have paved the way for abolishing the state's taxation mechanisms. Another example; in Suud, oil revenues let some merchants to be undermined by Nejdi Al-Saud family, about which their financial power and independent act of economy were seen as an alternative structure to the regime. Instead of these merchants Suud Regime established a politically back to back a new Al-Nejdi business elite. (Bilgen, 2010, p. 5) All these aspects have had negative consequences in terms of democratization of course but strenghtened the rejime survivalism in Suudi Arabia.

Accordingly, Jamahirayya system (Qaddafi period) was being sought to consolidate with this new political structure in the middle of 1970s in Libya, which linked social relations, political and economic total restructuring to a distributive state, which was the aim. Due to enhance in oil revenues Shah through these rapidly increase incomes tried to undermine the strength of the market, together with ulema and landlords. (Altunişik, 2014, p. 79) These also made up conservative power base of the country. On the other side, maintaining power successfully due in no small part to hydrocarbon incomes the rulers of Qatar and Kuwait are known one of the successful executers comparing to others. In both situations, the trader class – as a social group one of the most influential – used to care about its historical importance however as rejime get stronger they decided to give up its historical assertion about political participation and substituted it for oil revenues. (Luft, 2009, p. 48) Hence, rentierism let states to form society through influence that is made up of a strategic consolidation. Since hydrocarbon incomes stem from abroad were aggregated with the hand of the rentier state itself, states accomplish authonomy interms of society, also these states are free to form their own clientelistic liaison outright rather than counselling with people. Also traditional structures of states are being reinforced by distributive policies. For example, these kind of structures are not fovaoured by rejimes of Libya and Iraq especially rhetorically opponent to it and considering reconstructions for tribal, familial and regional affliations by their distribution policies. (Legrenzi, 2008, p. 95) If there isn't any fruitful political participation, these kinds of structures are vital to constitute a tie between society and state.

The result of this, rentier states have been seen as more prone to tyranism, and that democratization or even political liberalization has been seen as incomprehensible in these states. A few researchers, insinuating the chronicled connection between the capacity to on the one hand, and legitimacy and democracy on the other in Western political history, have contended that the deficiency of tax collection in rentier states also converted into a lack of political attendance. (Herb, 2005, p. 310) Similarly, since oil rents made it workable for states to act self-rulingly, rentierism has been thought to make governments less touchy to societal requests. Lastly, since rentier states had the economical funds to set up and accomplish regime legitimacy through rent dispersion processes that subdued opposition, it has been contended that the social contract in rentier states wound up noticeably uneven by a dictator deal that resulted in the general population's political consent in return for a share of the oil incomes which strengthen regimes' position.

RST, as grew principally amid the 1980s, made a general system within which the effect of remotely created oil incomes on the political economy of Middle Eastern oil states can be assumed. There seems to have been an accord that a lot of remotely produced oil income makes both specific open doors and specific requirements, and that similar structures and strategies are shaped accordingly. However the degree of this comparability started to be bantered in the 1990s, as more detailed analysis on individual rentier states were directed. Actually, it is contended that one of the deficiencies of RST was the way that it focused on similitudes as opposed to contrasts, and all things considered couldn't represent varieties crosswise over time and space. (Ramady, 2014, p. 56)

In this way, basic determinism incorporated with the model neglected to take into consideration office. Moreover, RST was to a great extent ahistorical, likening these nations' recorded beginnings with the disclosure of oil and clarifying their directions in similar terms. A few researchers additionally called attention to that most of the

writing concentrated on the oil boom without bookkeeping adequately for the oil busts that begun in the 1980s. (Rehman, 2008, p. 113)

Lastly, some feedback of RST concentrated on the logic of connecting rentierism and dictatorship. Okruhlik, for example, showed that in Saudi Arabia the administration's dispersion strategies did not tranquil the populace; in contrast it produced its own social opposition. (Ozdemir, 2012, p. 6) Some have likewise contested the linkage with tax collection by exhibiting cases somewhere else that don't assist direct connection between the two. Moreover, it was additionally contended that despite throughout the years tax collection has expanded among Middle East oil-exporting states, democratization has not. On account of these critiques, researches on rentierism, took a turn for the worse in the 1990s. (Gerges, 2005)

Other than the general statements, a few researchers concentrated on single or other case studies. These combined with RST, but through detailed analysis of specific case studies, and the outcomes provoked critical corrections to the model. Above all, by exhibiting contrasts crosswise over time and space, they acquainted organization to the earlier structural analysis. Accordingly, the arrangement choices of individual states progressed toward becoming as important an element to examiners as that of the general effect of oil rents. Besides, these reviews showed that oil mediated in a verifiable procedure and progressed toward becoming interlaced with the previous social and political structures in these nations. Historicizing oil-generating state's evolution likewise helped to represent contrasts. In a few reviews, the most pertinent factors in clarifying direction contrasts were institutional set-up and state-society relations. For instance, Jill Crystal highlighted the significance of historical background in her comperative review about the effect of oil on the development and change of political coalitions and state foundations in Kuwait and Qatar. (Mitchell, 2010, p. 35)

She demonstrated how every nation's previous examples of energy relations between state elites and significant social strengths varied, and that therefore, they were contrastingly influenced by the presentation of oil incomes. In the oil time frame, the state establishments set up by Kuwait and Qatar have likewise contrasted, and state-society relations have developed accordingly. Additionally, T. Karl, whose review principally centered around Venezuela, created a near record with Nigeria, Algeria, Iran, Indonesia and Norway to recognize the significance of institutional limit in

clarifying variety among rentier states. (General Anthony C. Zinni, 2010, p. 93) Contending against basic determinism by showing that "contradictions can be settled and improvement directions can be modified," Karl required a model of "structured contingency" that would permit agentive space for move inside the basic imperatives of rentierism. (Karl, 1997)

Likewise, T. Karl, who concentrated more on Venezuela, and created a comperative link with Norway, Nigeria and Iran to define the vitality of capacity of institutionalism by elaborating differences between other Rentier states. He opposes to structural determinism and claims that 'Paradoxes can be resolved and develepment trajectories can be altered' for that he had a model of 'structured contingency' which could create a room inside the borders of rentierism. (Karl, 1997, p. 33) At last, second-generation analysis concentrated on the bust time frame too, as in the 1980s rentier states confronted the truth of a drop in oil costs. This issue was examined along two lines: the limit of rentier states to create and support successful approach reactions to the monetary crisis, and the effect of the bust on the political steadiness of rentier states, since the traditional wisdom was that constancy was purchased through conveyance. World oil costs started to drop in 1981 lastly crumpled in 1986. (Elekdağ, 2008, p. 256)

The crisis carried on until the ruination of the 1990s, bringing out genuine income issues and for the most part antagonistic results on rentier economies. Having grown minimal extractive capacity and dreadful of social backfire, these states confronted a predicament: from one perspective, they couldn't keep up their prior rates of distribution; then again, they couldn't drastically diminish the sums being paid out at the danger of having their authenticity undermined. Some rentier states, like Saudi Arabia and Libya, neglected to adequately create and execute approaches to manage the oil bust in the 1990s. In the event of Saudi Arabia, on account of past cooperative political and monetary relations between the state and the Nejdi business first class, the latter successfully obstructed the usage of progression measures, as they were seen to be against its interests. (Rogoff, 2006, p. 32)

On account of Libya, the state's institutional limit was the fundamental scotch block to the execution of reform arrangements, alongside the administration's indifferent support of changes because of fear of losing force. (Hugo McPherson, 2005, p. 129)

In constrast, in the GCC region, historical events and relation between state and businessworld were vital components helping the success of states to get rid of political instability incase of the oil bust. (Hunter, 2010, p. 79) Crisis from time to time occur in GCC states, for example, in Kuwait, cordination of strong businessworld with state that is very well organized helped the state launch an effective reply to these problems. Therefore any crisis occurring in Kuwait (the most democratic one among GCC states) may increase the importance of business elite Vis a Vis other opponent social groups and strengthen their hand in economic policies. During boom years the state that had reasonable relations with tribal and islamist groups to compensate merchants's strength, currently depend on the business elite to start economic innovations and reforms, in the bust years hooking up which also helped political stability. (Adler E., 1998, p. 27)

If we adress Qatar, even though the position of relation between state and businessworld differed in which we can see a weaker business elite and more state dependent, also this relation managed to create an fruitful reply to the cirisis by not endangering stability, with together business following the state leadership. In other words, with the leadership of state followed by business elite they contributed to crisis due to understanding of stability to create win – win position by these elites. In constrast in Bahrain business - state cooperation triggers sectarianism where outsiders like Iran can provoke it anytime to create instability. (GCC Workshop Summary, 2012, p. 9)

RST arguments from the late 1990s onwards, started to concentrate in a broad manner on the correlation between the progressing of authoritarianism and the rentier state. This is because of the enhancement in democratization studies around the world in the comperative politics. Talking about Middle East, especially GCC state, this study's concentration shifted to problems of democratization, and later on shifted to authoritarianism relative other part of the world. Because rulers of GCC states fear from democracy and its tools, that would diminish rejime itself. (Brynen, 2013, p. 333)

As we have earlier mentioned in rentierism new studies (late rentierism) focus on different kind of perspectives and methodologies such as focusing not only on Middle East but also other states producing oil. In this case Michael Ross, with his

cross-regional datas claim that 'the oil blocks democracy' indication is both valid and statistically powerful (oil diminish democracy) (L.Ross, 2001, p. 61)

When we refer to Ross there are three effects of oil incomes: First one is the 'effect of rentier', which was about political consent obtained by no taxation or few one; the second one is the 'effect of repression', which refers to state's collection of repression means and building of such institutions by oil capital; and third one is the effect of modernization, which put forward that oil money led to slowness and stillness of socio-political appereance. These are as all defined as restrains and barriers to democratization. (Ross, 2001, p. 75) On the other hand, here the case is impeding democratization to stay still for authocratic rejimes by particularly not collecting taxes together with creating business elite network those who are loyal to rejime and the centralized bureaucracy of which are being sourced by oil money. Other scholars like Michael Herb – for instance is skeptical to these relationship and argued that there is an exaggeration about the adverse effect of rentierism, and that other should concentrate on other components to examine the problems of democratic expansion in the GCC or elsewhere (Herb, 2005, p. 297) Actually as we demonstrate in this study that, the problem isn't democracy or other factors, the matter is the whether rentierism prevents democracy or it doesn't (in GCC states) due to their economic development that is caused by a factor called hydrocarbon and its management.

In the 2000s these sorts of arguments have emerged concentrating on the Gulf Cooperation Council'states and their development in terms of economy. Some intellectuals have argued that even though the common arguments of RST are still on board, but they don't explain about the label named for GCC states as Gulf Exemptions. (Gray, 2011, p. 51) As abovementined in the part of late rentierism, GCC parts of the rentierists mostly have been spending oil revenues in a rational way such as developing theirselves in a way of society and the economy, as revenue sources are differentiated and diversified by other subjects. Thus, for instance, as earlier we have mentioned about Micheal Gray and his assertion of "late-rentierism", while Gray acknowledges common principles of the RST, but internal provisions as well as external influences have effect on the rich Gulf states, bringing important changes to their political economies yet there is no way to avoid roles of elites, and

their business network with internal high ranked identities like Sheikhes and their priviliges interms of win - win. (European Central Bank, 2008); (Gray, 2011) Thus, sort of political accountability and economic development among GCC states came into prominence. Talking about Kuwait especially, state as creator establishes room for an institutional form – Sean Yom distinguished between 'despotic rentierism' and 'popular rentierism – claim state constraints its own discretion and let for better accountability. (Sean Yom, 2011, p. 220)

Finally, few scholars have examined the correlation between political stability and rentierism. Using cross – sectional time series data Benjamin Smith concentrate on the relation between the wealth of oil and rejime survival. Doing this he has chosen developing countries between 1960 and 1999. (Benjamin Smith, 2004) In this way he has found that oil wealth is rigidly related to regime stability, even when censuring for repression, and with lower probability of internal war and proponent protests against state. Hence, even during bust times these countries have faced some constraint unrest, this have not imptact stability of the regime. This outcome actually support the results of studies concentrated on the effect of the oil bust of 1970-1980s. In some other comperative studies where the case of for example Algeria analyzed comparing to Iraq, Saudi Arabia and Indonesia, different methodological components were used to analyze the correlation between rentierism and regime stability. There are few intellectuals also focus on decisions taken by state leadership, which is no less, influencial than factors that have impact on the structures in terms of political conclusions. Therefore, statecraft is very vital variable for rejime durability among rentier states encountering economic crisis A.Ibrahim claimed. (Badr El Din A. Ibrahim, 2007) These perspectives indicate the basic of current happenings in the Arab world as well.

3.4.1. Microscobic Democratization Processes

Accessing new generation rulers in Bahrain in 1999 and in Qatar in 1995, Gulf states launched a political reform process purpossing the reconsider traditional type of Society-state relations and offering a participatory form and scale of political pluralism. In respectively these are the most that had happended and come true; In 2002 National assembly of Bahrain became bicameral and new constitution has been gone in progress. New constitution in Qatar in 2003 and municipal elections in 1999,

new provision for assembly of Shura in Oman in 2003, again same thing took place in 2005 in Saudi Arabia; municipal direct elections has been in progress and right of vote has been given to Kuwati women in 2005, and constraint level of elections in UAE for the Council of Federal Nation. (Al-musab, 2010, p.45)

These reforms has taken place to renew the legitimacy of ruling people by incremental alternations. Although they didn't meet the demands that had been spoken in Ottaway's definition of a shift in political paradigm, but they had tried their best to at least do for precautions in case there was a riot danger in these countries. But still top of the authority's political power remains same, vested in the ruling tribe and network of patrimonial situations are occuring in this region.

4. LATE HISTORICAL PERSPECTIVE AND REGIONAL SECURITY

4.1. Political and Economical Structure of GCC Countries

There are six Gulf States¹⁵ in the region and all of their security nexus is their hydrocarbons. What this study previously indicated is that the oil, gas or whatever the hydrocarbons they extract constitute the security sources which constitute an Oil Shield on the Gulf States. The shield is formed by not GCC members themselves literally but more likely by an oil demander global power. For Instance; there is a very important forum that is called 'Promoting American Interests' in which usually American thinkers publish sort of articles, like Philip Robis's article 'Can Gulf Monarchies Survive the Oil Bust?' claims that; The survival of the GCC governments and their domestic stability is the West's overriding strategic interest¹⁶. This explanation is a vision of political thought that brings the region's security in a vital position for western interests. For this reason, although Gulf Cooperation Council (GCC) has been established in 1981 under the leadership of US Central Command (CENTCOM) for sake of Arabian Gulf States and western interests, current political conjuncture between Qatar and the rest of the GCC leave the Council functionless. In this context, whether GCC is more into the political economy interest or not will be discussed in the following of this chapter. Moreover national and regional security choices are going to be compared with political economy in term of prioriteis.

Rented natural resources by Gulf countries, constitute their basic security structure as a result of high oil incomes. They do this by not collecting taxes (by favour of high oil incomes), especially in order to turn down freedom of speech that avoids internal threats, and by purchasing high quantity and quality arsenal and weapons against outsider threats together via international defence agreements such as DCAs (Defence Cooperation Agreements) with USA after mug's game on Kuwait. Their

¹⁵ These are Saudi Arabia, UAE, Qatar, Bahrain, Kuwait and Oman. We may call them also tribal or family states, since all of these' origins come from different indigenous families.

¹⁶ For more information please check; http://www.meforum.org/202/can-gulf-monarchies-survive-the-oil-bust

social and political stability, moderate dependency, being periphery-center rather than only a periphery (like other middle easterns) and significant International Political Economy practices are the results of these hydrocarbons.

Before 1970s, during Pax Britannica these countries importance were at the moderate level until oil boom in the region. British Troops had protected them until 1971, when the protectorate status of Britain overed, which the time troops, left there, for the new global power the USA. In order to define the region and understand the vitality imputed on it by westerns, the thesis opted to begin with the leading power of the Gulf, which inherits the name from Suud Family, followed by Kuwait who is the second gainer of its independence in 1961. These two countries have taken the path in terms of state experience and institutionalization. Other Gulf states, except Oman who had been established in the 18th century and never lost their independence in spite of the many agreements that made the country dependent on Britain, were recently recognized as independent states in the early 1970s. (King, J. 1997, p.105) While we will be trying to introduce these states, the study is going to more concentrate on their recent political economy parts rather than their historical phenomena.

4.1.1. GCC Countries

Saudi Arabia, first found in 1926 right after the abolishment of the Khalifa in Ottaman Empire in 1924, and officially declared his independency in 1932 as the Kingdom of Saudi Arabia (Arı, 2005, p. 180), is an absolute monarchy ruled by Al-Suud, a family that was supported due to its close relationship with Wahhabist¹⁷ Their legislation is the Sharia and they do have so called a sharia board that's originated from Holy Quran. But, factors such as internal politics of ruling family, political expediency and effect of intertribal politics are the main motivations and mitigations for the promulgation of legislations or implementation of the policies. Its regular military forces consist of 124,500 men (Kaim, 2008, p. 162)

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¹⁷ Wahhabism is an Islamic doctrine and religious movement founded by Muhammad ibn Abd al-Wahhab. It has been variously described as "ultraconservative", "austere", "fundamentalist", or "puritan(ical)"; as an Islamic "reform movement" to restore "pure monotheistic worship" (tawhid) by devotees; and as a "deviant sectarian movement", "vile sect"and a distortion of Islam by its opponents. The term Wahhabi(ism) is often used polemically and adherents commonly reject its use, preferring to be called *Salafi* or *muwahhid*. (*Talal Kahtan-I*, 1978, p.11)

Right after the establishment of the Saudi State, on May 1929, an oil concession agreement was signed between Saudi Arabia and Standard Oil Company of California (SOCAL). On November 8, a subsidiary company, California Arabian Standard Oil Company (Casoc) was founded to manage the concessions. (Aramco, 2016)

Currently Saudi Arabia that owns almost 24% oil reserves of the world is also a country that produces it with lowest costs. As this study earlier indicated in numbers that the Saudi Arabia will be the lasting country that produces the most. Daily production of it changes between 13-15 million barrels a day; the Saudi Arabia could supply USA's oil need of almost 25%. It holds around 261 billion barrels proven reserves, which is equalent to remarkable percentage of the world oil reserves. Even though it has this huge capacity, Saudi Arabia's refinery volume is lower than comparing to expectations. To give an example; it holds 7 refineries that 2 of them belong to Shell Company and other 3 belong to Chevron, and it also has only 12 oil tankers whereas foreign companies 56 (Aramco, 2016) which reveals that the network of marketing and transportation is on the hand of foreigners.

Therefore this country is only in the position of selling raw oil rather than refined one. Their 90 – 95% export revenues comprised of raw oil. Between 1973-80 it had gained significant amount of revenues from oil, yet after towards amid of 80s due to decrease in oil prices obviously caused Saudi Arabia to lose outstanding amount of revenues. For example, in 1982, it sold oil that worth USD 44 billion, in 1991 USD 42 billion, in 2001 USD 71 billion and in 2004 USD 85 billion. For this reason, since economy of Saudi Arabia directly depends on the oil prices it faces many fluctuations during instability in price mechanism. Even though they acquire important amount of revenues, still they are face to face with some structural problems. (Leonardo Maugeri, 2003, p. 169-172)

Saudi Arabia's motivation, as we have earlier said, directly proportional to oil prices for sake of their economy which is actually a problem for structural issues. You may also testify these claims in many research studies such as 'Maverdi – Iktisadi Fi-Alsuud's one. He claims that Saudi Arabia's most confliction that avaiods this country to diversify economic structure is the crown rejime itself and privatizations.

As their GDP had has risen to between 20 – 22 thousands USD, it has regressed to 9 thousands USD in 2002. Average percentage of growth after oil price decrease, it has droped from 8 to 2.6% in 2017. Ongoing progress in term of population – which has risen to 24 million in 2004, became 32 million in 2016 (Al-idaretulbeyt, 2016) – uncertainty in economy and issues of unemployment after 2000s. might cause Saudis to face significant problems unless they do follow three points that we have mentioned in 'Gulf's rentierist characteristic' part of this study.

Starting with in the 1970s nationalized gradually and changed its name from Aramco to Saudi Aramco, the oil company has maintained its position though limited privatization attempts after 2001. Most of authorities, rulers and governors promise on development, improvements. Narratives were around in the news and every corner of the Gulf about their privatization attempts. Even though they commit to accelerate foreign private sector incentives for appealing foreign investments, still private corporates' boundaries till where Saudis allow them. One of the rulers of millennium period of the region was King Fahd who was very intuitive and willing to embrace globalization and integrate S.Arabia to this circle. What he did 1st was the legal gurantee; enacted and passed the law about tax discount or untaxed the investments (which was already very minimum) Moreover he gave pledge on be half of the government by law that they will ever attempt to expropriate foreign investors' tangible or intangibles in Saudi Arabia which was seen an absolute step to liberalization from a centralized Saudi economy. (Hanieh, 2011, p. 46-48) On the other hand it is very hard to implement successful planning for economic reforms in Saudi Arabia due to pressure from society. For example in 2001 – and actually this is also an example to 'oil creates a shield' for taxfree monarchy economies by hydrocarbon revenues- the government were keen to transfer and make PPP (Public Private Partnership) with corporates for electricity services and implement a very less amount of tax applied to domestic houses, plus, decrease government subsidies. But this was rigidly refused by public and upraise occurred which caused government to withdraw the implementation that on the contrary has forced government to increase the subsidies. (Ahmed, 2012, p. 13) In most of the Gulf countries private sector has always been intervened by state organizations due to precautions needed to be taken against any uncontrolled fundings for radical movements in or around the countries.

Conversely, until 2012 Saudi Arabia was among the 10 countries the most credit allocator in IMF. Today according to the fortune 500 journal its fortunes and investments in global manner is worthed around USD 550 billion. (USD 350 billion worthed agreements just have singed right after Trump held the office). There are also allegations about the wealth and fortunes of Suud Family; it was claimed that their belongings in terms of investments in the world are around USD 200 billion. (Irandoors, 2015) For all that still this country usually keep on creating budget deficit in their economy. First time in Economic history of Saudi Arabia, it has issued government bond and state went for debt. This is reflected in the news as; Saudi Arabia raised USD 17.5 billion in its first international bond offering, reflecting strong interest as the kingdom seeks to diversify its oil-dependent economy. (Dailymail, 2016) While its budget nonstop-created deficit that was between 6-10 billion each year until 1984- 1996, starting in 1997 till 2015 Saudi Arabia didn't once had a deficit¹⁸ in their budget.

Another country of the Gulf, the **Kuwait** who is a member of OPEC and GCC, holds 8.4% oil reserves in the world, which is equivalent to 102 billion Barrels almost. Like other GCC members, its revenues totally depends on renting oil, Kuwait's GDP directly proportional to export liquidity. The time when oil prices were at the pick in the market, its daily production was about 1 million barrels a day. In fact during these years it is around 2.9 million and in the 2020 it is expected to be 5.2 million barrels a day. (Opec, 2016, p.19) We can assume that the least affected country from oil price fluctuations among the GCC is the Kuwait even though its GDP, 90-95 % depends on the oil. This is because of its small population and selling raw oil in Kuwaiti Dinar (Al-Qahtani, 2000, p. 29) For example; while oil revenues of Kuwait in 1980s was around USD 37 billion, due to decrease in oil prices in 1999 caused this revenue decrease to USD 8.9 billion. Therefore usually we see direct fluctuations in Kuwait economy that is parallel to oil prices in the world. Unlike other countries of GCC, it didn't index its currency to American dollar until 2003. Its value of currency was being determined in a basket, which is comprised of international reserve currency including dollar as well. But later on Kuwait is being forced to index its currency to dollar by USA and other GCC members (Al-Yousifi, 2014)

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¹⁸For more details about brent oil prices in last five years you can see; https://tr.investing.com/commodities/brent-oil

Kuwait, with its total four-refinery capacity, daily sells almost 900.000 barrel of refined oil. Kuwait is also planning to increase its capacity with one another refinery that it cost for her around 3 billion USD that has daily 600 thousands barrel production. In spite of budget surplus of Kuwait every year, still they are on to liberalize and privatize their economy, and they have taken very essential decisions in the direction of these purposes till 2015. When oil prices drop sharply, aims to boost revenues other than oil, controlling public spending and planning structural reforms have gathered and introduced by policy makers of Kuwait. March 2016, Ministery of Finance in Kuwait, declared a document that includes six phases of program to begin financial reform, redefining state's position in economy, and encourage privatization. Kuwaiti media sources are claiming that nearly 60% of public sector companies are said to be earmarked for privatization efforts, with the government reportedly approving proposed amendments to the privatization law. Usually this is occuring in GCC due to fluctuations in oil prices. This law also; lowering the legal restrictions on banks, avoiding nationalizing the foreign investments, confiscation or removing the seize on their activities, giving gurantee in the long term that they could take their facilities out of country and annihilating local partner compulsory in the business life. (M. Al-Obaidan, 2002, p. 112) Nevertheless most of these stayed as an only attempt rather than putted into action.

Moreover, constitution of Kuwait bans the direct purchase of mines by foreigners. Kuwait is ruled by the Al Sabah family, and gained exact independence in 1961. Today, population of Kuwait is 2.5 million and it holds 15000 of armymen power. Kuwait is a constitutional emirate ruled by the Kuwait's Emir, a successor ruler come from the Al-Sabah family. The Emir confirms the Prime Minister, his deputy, and the council of ministers. Kuwait's usual political disagreements on major energy projects are the results of conflicts occurring between head ruler and the assembly about contract management, particularly including foreign companies and logistic of projects which causes to delay huge projects. (US Information Energy Administration, 2016, p. 2)

When we analyze the allocation of oil sector in Kuwait, all of which are controlled absolutely by state that are respectively; Kuwait Oil Company (KOP duty is to research and production) Kuwait National Petroleum Company (KNPC refining and transporting), Kuwait Petroleum International (inner market activities KPI),

Petrochemical Industries Company (product of petrochemical and marketing - PIC), Kuwait Foreign Petroleum Exportation Company (KUFPEC, that is researching oil outside the country) and Kuwait Oil Tanker Corporation (facilities of the takering in and out of country – KOTC) Therefore there isn't any privatization in terms of Oil Sector. (Ayhan, 2005, p. 61) When we compare Kuwait with other GCC it has the most tanker in quantity. it has the biggest fleet by 52 tankers in the region, about which it is going to increase the number end of 2018 by adding 8 more tankers. (KOTC - Kuwait Oil Tanker Company, 2014)

Beside all these local companies, in 2010 Kuwait was trying to pass another regulation for banning foreigners' oil activities in terms of allocating, extracting and production in a conventional way, this regulation didn't allow to make sharing agreements with these state corporations but, Kuwaitis were planning to have a new method in which they pay for only per barrel that is being extracted by foreign company, rather than sharing the companies' holdings. Kuwaitis would have a kind of contract manufacturing with outsiders. On the contrary, even for this, there was a rivalry and strong opposition due to independence of these companies after along time. From national perspective they might be correct but, as we research they currently have a 'Project Kuwait' plan in which there is a purpose of increasing production of refined oil together with the three international consortium. (US Information Energy Administration, 2016, p. 7)

With these consortiums, Kuwait has aimed to make repurchasing agreement with BP, Exxon and ChevronTexaco rather than sharing the production with foreign companies. They were calculating to pay for; their extraction per barrel or having their assistance. Therefore the government has taken measures to increase foreign participation in the oil and natural gas sectors through technical and service contracts. Thoughts in this particular subject have been expected to end up by this year since 2005. But still repurchasing for per barrel hasn't been activated. Despite its strong economy Kuwait has planned a creation of Fund that is called 'Fund For Future Generation' in which 10% of oil revenues is being collected and utilized different sectors to diversify the economic activities rather than sole oil. Until now they have around USD 120 billion collected in the basket. (US Information Energy Administration, 2016, p. 3-4)

Considering, **UAE**, which is formed by the seven Emirates, is regarded as one of the richest countries in the world in terms of oil and natural gas reserves. Seven emirated federation is ruled by president Khalifa bin Zayid al-Nuhayyan. It was established in 1971, and today has a population of approximately 3 million. Today, the military force of the UAE is consisting around 60.000 men which is a vast increase from 30.000 in 1981. (Kostiner, 2009, p. 20)

Having 98 billion barrels of oil equivalent to about 8.5% of world reserves in terms of oil, the daily production of UAE, which was 2.3 million barrels in 1995, reached 2.5 million in 2003 and is expected to rise to 5.7 million in 2020. UAE is also the country with the most proven natural gas reserves after Russia, Iran and Qatar. In the United Arab Emirates, which is participating in the WTO, private sector initiatives are encouraged as well as investment in areas such as water and electricity in UAE, which has the most liberal economy in the region, Abu Dhabi has 95% of the total reserves, which is about 98 billion barrels and 4 billion barrels of the rest of the oil is owned by Dubai. In the Emirates of Sharjah and Ras al-Khaimah of the Federation there is an amount of 1.5 billion barrel reserves. Having the political activity and trading and oil reserves of the country, Abu Dhabi is head of the federation, which consits of seven emirates (Abu Dhabi, Dubai, Sharjah, Ajman, Fujairah, Ras al-Khaimah and Umm al-Qaiwain). 80% of UAE's revenues are provided by Abu Dhabi and Dubai. By forming a permanent agreement in June 1966, the UAE Federal National Council removed the provisional founding agreement, which was ratified every five years since 1971, when the Federation was formed. In constitution, all Emirates accepted Abu Dhabi as the permanent capital of the UAE. (Ispahani, 1984, p. 168)

The Emirates, which abolished the administrative board of the Petroleum Ministry and the Abu Dhabi National Oil Company (ADNOC) in 1988, established the Supreme Petroleum Council instead, which was represented by a member of each emirate in the Presidency of Khalifa ibn Zayid Al Nuhayyan. (Qadir, 2002, p.4)

In 2004, Exxon Mobil acquired a 24% stake in ADNOC for the development of the Upper Zakhum area. It is expected that the production on the field with a daily production of 550 thousand barrels per day will be 1.2 million barrels in 2010. Unlike other Arab countries, in UAE, which has a liberal oil policy, the share of

multinational oil companies (British, American, Japanese and French) in the oil industry is 40%. (US Information Energy Administration, 2016)

As for **Oman** that has boundry problems with its neigbours, is the country (even though she isnt a member of OPEC or OAPEC) most of its economy and major quantity depends on oil production and exportation. Oman's system of government is monarchy like other GCC states. The Sultan (currently ruller is Qaboos) is coming from descendant of Usman Sa'id bin Sultan, who was the 1st one established relations with USA in 1833. it had a population of 2.017 million, Military forces of Oman strengthened from 1980s till 1995 by increasing the numbber of troops. Today approximately it has 45.000 armymen in its force.

The system does not consisting a political party or kind of legislature assembly but it does has a dualcamerial bodies for advice. Heir after current sultan death is being designated unanimously by rulling family instead of publicly elected or assigned by sultan. Comparing its illiteracy avarage with other GCC members, in Oman it is; 22.5% in women, 32.8% in men. Even though this is the case, they have a very fruitfull society relations between the locals and its GDP is 8.7 Dolar. Having a strong economy, Oman's growth in terms of it, year by year is increasing. If you check out the data of yearly growth in US international Energy Administration we can follow rates respectively; in 2003 %3, in 2017 1.9% indicating that their economy also directly proportional to oil prices. (Adler, 2000, p.164) (Al-mutava, 2006, p. 180)

Having approximately 5.6 billion barrel oil reserve and exporting almost daily 1 million barrels consisting 40% of Oman's GDP and 75% of their export facilities. Despite the fact that trying to diversify their economic activities like other GCC state, Oman also went for cooperation with foreign companies to increase the oil and natural gas reserves. Founded 1st time in 1962, compared to other GCC reserves, extraction of oil in Oman is costly and lower than others. These reserves' operations are being maintained together with foreign capital shares in (PDO) While PDO's 60% of shares are belong to Oman Government, rest of 40% is belong Royal Shell (34%), Total and Parex. Among other underground treasures in Oman, natural gas is being in the lead, which however small portion of these reserves could be produced with current technology. Having liberal oil politics, Oman willing to play an essential role in Gulf trade that is parallel to the development of private sector. Oman is

holding also a consortium partnership in Oman Liquified Natural Gas Company comprised of 51% State of Oman, Shell 30% and Total 6% that is appealing foreign investors in Oman in scope of natural gas and oil. (Adler, 2000, p. 166)

The first oil of Gulf region had been explored in 1932 in **Bahrain** who is the smallest Gulf country in every aspect compared to others. In 1970s its population was 240.000, which currently is 700.000, according to DEIK (Foreign Economic Relations Board/ in Turkish; Dış Economik İlişkiler Kurumu) Its military forces consisting around 10.000 armymen, plus, due to Shii uprises occurrence from time to time, additionally 10,000 strong internal security forces added to list. It is ruled by a Sunni King, Hamad bin Isa al Khalifa, but it has a majority Shi'a population. (DEIK, p.17, 2017)

It has the lowest and insignificant amount of oil in the region. In contrast to this, Bahrain has one of the best-improved service sector in terms of finance in the region due to its strategic position and the lack of oil which actually the main motivation lead Bahrain to diversify its economic activities. Under sea and soil of Bahrain proven reserve is only 125 million barrels and produces around 35 thousand of barrels daily. (US Information Energy Administration, 2016)

On the other hand it is still trying to explore oil fields and drills on them. Previously occurred conflicts, which were about the borders between Bahrain and Qatar had been resolved by ICJ in March 2002 by decree on giving Hawar Island to Bahrain, and Zubarah to Qatar. While in Junary 2001 government of Bahrain had an agreement with Peronas Oil Company (Malezian) for exploring oil in coast of southern east, also they had it in close to same area with ChevronTexaco. But unfortunately for them, Texaco declared that the company hadn't found any economic valued oil reserve in the area. Therefore what it did, was that Bahrain developed itself in refinery sector. While their export depend moderately on exporting refined oil, the rest of the Gulf mostly depends on exporting crude oil. Only refinery that is located in south of the country called Sitra has the capacity of 250 thousand barrels a day, together with 145 thousand barrels that is given by his neighbor Saudi Arabia in an attempt to financial help. (Ghabra, 2016, p. 5)

Following first explored oil in 1932, Bahrain has established an oil company called PABCO which also keep on modernizing the only a refinery that had been built since

1936. In exchange for granting concession of oil to two American shareholders of BAPCO until 2024, encouraged others for making deal with oil companies as a consortium form. (Ghabra, 2016, p. 7)

The sixth member of GCC, **Qatar**, was used to be ruled by Shekh Hamad bin Halife from 1995 till 2013, later on authority has passed to his second generation, currently Shekh Temim bin Hamed Es-sani is rulling the country. Considering its political system we can see an absolute monarchy like in Saudi Arabia, or a constitutional monarchy, it is more like semi-constitutional monarchy after 2003 referandum. Just like other GCC members, its legislation source is also Sharia Law with respect to Constitution of Qatar. Its armed forces grew from 5,000 men in the early 1980s to 11,000 men in 1995 and currently the number is almost 16,000 arymen.

Like many of its neighbors, Qatar depends on its energy scope of business to boost its economy. The Qatar National Bank (QNB) asserts that earnings of Qatar in 2015 from its hydrocarbons cosisting 50.5% of total government revenues. Significant steps had been taken in this country in terms of political liberalization and economy since its independence. It showed fruitful efforts on behalf of international agreements with foreign globalized capitals for appealing other important investor players in the world. For example there had been very large scaled agreement between Qatar Petroleum and Chevron Philip Chemical Company in 2007 that's amount was 10.5 billion dollars for setting up an aluminum facility. (Qareport, 2015)

Most of the known oil companies such as ChevronTexaco, BP, Occidental Petroleum and Total have been carrying on oil business in Qatar since 2005. Qatar produced 2.1 million barrels per day of petroleum and other liquids in 2014, of which 1.5 million was crude oil and the remainder was noncrude liquids. Although Qatar is a member of the Organization of the Petroleum Exporting Countries (OPEC), the country is the second-smallest crude oil producer among the 12-member group. Another natural wealthiness of Qatar comes from its natural gas. It has the largest 3rd reserves in the World after Russian and Iran as we have previously mentioned. Qatar meets all of its internal natural gas demand from domestic sources. As for its petroleum consumption is almost 230 thousand barrels a day and 45 thousand barrels of liquified natural gas. (Ispahani, 1984, p. 168)

In counclusion, usually on going conflict in the Gulf is due to sort of structural power and asymmetry between Arabian Gulf states and the rest of the World those who have an self interest in the region such as Iran and Iraq, particularly USA and China. The conflicts seen in the region is a kind of trend which is parallel to a formation of state, as well as to the development of the World economy and its fuel necessities. The Gulf's distinguished reserves of oil and gas renders the importance of the balance of power between these small populated new countries and larger regional Powers. Gulf is being integrated to global economy by its vast reserves of oil and gas. Therefore any problem, issue or trouble in the region is likely to include the World itself. These Oil producer countries holding the two of the most vital reserves of the World; petroleum and natural gas. In recent years, Gulf states that are under the military and political pressure of the USA, are being forced to unwind the state control on natural resources, particularly after the 9/11 attack, war in Afganistan and Iraq. As upper-mentioned; steps of liberalization and untightening ridig state politics on oil due to foreign investors attempts have been taken by Gulf states. This is because after 2000s we notice far amount of progress in Globalization which has pressured them to solve this problem. The issue was about oil prices and its costs. Global Powers were pressuring the OPEC to decrease oil prices not only for World trade but also cause a negative effect on counter countries such as Russia and Iran whose GDP is also dependent to natural resources. This demand of increase in production obviously needs high technology and rehabilitation of oil reserve areas. (Schwab, p.6. 2009)

It is very known that Arabian Gulf states still do not have sufficient technology to achieve decreasing price in brent oil which push them to have an attempt of tenders in order to bring together technology holder foreign companies and arabian states for vast amount of oil production. Thereby not only from the perspective of political economy but also from the vantage point of dependency, as previously in this study we have enclosed, the wealth these countries have, will create for them a Shield against inner and outer threats.

4.2. Arabian Gulf – USA Relations During and After Pax Britannica

Oil rich monarchies, the gulf countries are located in the middle of the full-troubled geography. In this section of thesis while we are explaining the Gulf – USA

relations, we are going to touch upon Arab-Israel conflict, influence of USSR, USA and other western countries in the region during and after Pax Britanica¹⁹. Not only these, but also so called Islamic revolution in Iran, occupation of Afghanistan by USSR and war of Irak – Iran are the painful subject of the region in this part which directly effect USA- GCC relations. Especially increase in oil demands in USA after 1930s, lead it to be certain ally now and in the future for sub-regional Arabs.

Countries those are available in Arabian Gulf respectively; the 1st is Iran, 2nd is Iraq and 3rd is the six GCC countries. The region of these GCC countries placed was already significant due to its strategic hub to India and Far East in 18th century. Noticing that oil was a strategic resource in 19th century and explored it in the region in 20th century has increased the importance of the Gulf region. For example: in 1956, the most famous Egyptian leader colonel Abdual Nasr had nationalized the Suez Canal. The day he had declared this, 'the canal is the route of oil, it is a route of life' was the heading of the 'London Star' newspaper which had emphasized the vitality of the location. Same year, prime minister of Britain, Eden had said that ' the oil comes from Middle East is very essential to us, if it is needed, we will fight for it' (McQuaig, 2011, p. 229)

Subsisting existence of sub regional Gulf countries, initially Britain later later on USA's support has been seen in the region. Due to geographical conditions, being respectively isolated, having small population and bedus complying with new conditions of the region, the Gulf hadn't been needed to turn into mandate or exploitee by Britain. British protectorate had been sufficient in the region and later on; they had thought that they would have maintained their existence with the help of external support. In this context, Gulf countries must have arranged and maintained their internal and external politics parallel to outer powers.

While control of Middle East initially was at the hand of British power, later on, after world war two, control was held by rising power of American hegemony. For this reason, as analysis is being made, has to be taken consideration of relation with Britain and USA, is something necessary. However, we have to remember that,

¹⁹ As Mojtahed-Zadeh indicates, three kind of security position have characterized the international relations of the Arabian gulf: "Pax Britannica" from 1918 to 1972 when the British forces withdrew from the area; "Pax Iranica-Saud," until 1979 when so called Islamic revolution; and lastly, in recent years "Pax Americana" (Legrenzi, 2008, p.77) Pax indicates the time period of hegemonia of the

saying that the region is being dominated by USA and Britain, doesn't has to mean countries in the region is impotent element. In fact, while these hegomic countries develop politics on be half of the region, first thing, they consider is the security of regime and the second is the security of the resources. For these powers it is very feasible to do so since common ideology of both USA (Britain too) and Gulf rejime is to be against Islamic extemists or any movement that might threaten its regimes, which could guard also these scarce resources by itself (Anthony, 2006, p. 3)

Politics of Britain considering the Gulf region came up in the frame of colonial politics towards the Middle East and the world. The Gulf, due to its tribal culture, profitable desert trade, pearl production and other variety of properties together with its natural resources and especially its location that is on the route of Far East particularly India, appealed the attention of colonists. Moreover the region gradually had gone under the control of Britain that had been the leading colonist power and utilizer of whole Middle East as a buffer region. (Anthony, 2006, p. 5)

From the begining of oil that was being basic source of energy in the 20th century, the Gulf had been the focal center of foreign politics in Britain, which was Parallel to lost of streight of Britain in the region and replacing it by USA. Hence, USA has began to continue to be principal and dominant power of the region after Second World War. The one of the main example that Britain has lost its strength in the region was during Suez Canal issue²⁰ (following six days war); British powers had left the lands of South Yemen (Aden Canal) in 29th October of 1967, another land where they had occupied it since 1839. After this movement of Britain, also, reaction

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²⁰ Suez Canal Issue was about the six days war. The war had taken place between Arabs and Israel. The war had began in 5th june of 1967. To sum up; Egypt in May 1967 had closed the Tiran Canal to avoid oil route from Iran and leave the Israel oilless. Egytian leader Abdul Nasr had taken decision for sanctions. The decision had been taken place in terms of Oil Ambergo triggered Israel to Attack Egypt. During that period, Iran was the only country exports oil to Israel in Middle East. Having support of London and Washinton, Israel had launched attack on Egypt and Syria at the 1st day of the war and consequence had showed itself by strong Israeli attacks till 10th of June in 1967, next day of this event, they had a deal of ceasingfire among the sides. However oil ambergo continued by Arabs till September of 2nd in 1967 when officially Saudi King Faisal took decision to sell oil any country he wishes. Another outcome of this war was that Abdul Nasr lost control of Suez Canal and oil fields in the Sina Desert. But when Suez Canal closed during Ambergo for Britain caused it to buy very expensive oil from abroad especially from Venezuella and USA, which had caused high pressure on sterlin, 6 million sterlin was the cost a day for Britain. Moreoever in the region most of the country has exchanged pound into dollar or gold which caused value lost in Pound, that approached Britain to budget deficits. For more information please quod vide in, Tayyar Arı, Geçmişten Günümüze Orta Doğu, 2.Baskı, Kalem yayın evi, 2005, s. 189)

to order the balance of international payments (because there was a huge deficit in the balance) in 1968 and withdrawal declarence of British power from Gulf region were the happenings followed by. Therefore one of the most important political outcomes after War of 1967, oil embargo and oil issues due to closure of Suez Canal, were turning to a crisis that collapsed the military-security system of the Britain. (Licklider, 1988, p. 204-227) The British economy, wasn't in the position of financing United Kingdom, the kingdom known as the sun never sets on.

The USA rigidly concern with Middle East has begun after decleration of Worrdrow Wilson's fourteen points that was consisting peace conditions after 1st World War. However, USA has developed its politics towards Gulf region in the subsequent years. Following 1920s. USA's concrete diplomatic relations in the World has caused it to be in every research field in the Arabian Peninsula in terms of exploration, extraction and had become a very crutial actor in region. (Sungur, 1993, p.45)

In 1943, American president Franklin Roosevelt had expressed that protecting Saudi Arabia is a vital consideration. Following the term 1945 USA's political outsomes were the extention of British politics and Anglo Saxon alliance generally in Middle East especially in the Gulf region. This was in away serving the purpose of Britain. Britain has wanted to allocate its risks in the region to deesclate the burdens on its shoulders via USA, the closest strategic alliance of Britain in the region. (Warmemories, 2015, p.97)

The USA, as we all know heading towards the region due to strategic reasons and controlling the energy resources. For this, it has done it in a way of global legitimacy as possible as it could or at least it had wished to show it like that. Gulf countries, besides being against to communism because of Islamic and monarchial identity, in terms of USA's influence struggle in the region due to USSR, helped it to collarate with countries in the region.

As it was emphasized by Mustafa Oral, like, how 2nd World War has caused USSR to deploy in East Europe, it has also formed basis for USA decisively aim to Middle

East. At this point, Eisenhower Doctrine²¹ has been the significant signal that indicates effective political movement has commenced by USA peculiarly in the Gulf. This dontrine shows, leaving the Britain and France a side, the will of USA settlement in the region as opposes to USSR.(Oral, 2011, p.46)

In this frame to protect its advantages in the region USA from time to time has choosen the way of hard power. In Arabian Peninsula USA has deployed variety of places an American bases in Aden and Gulf region like Britain had done. Like previously we have indicated, some Arab writers too, claimed that war of 1967 was an American – Israel common operation. According to this, right before the war, USA was very serious about the interest in the Gulf, which could be damaged due to Arab nationalism and liberty movements.

For USA relatively important subject in terms of relation with Gulf not only due to rejime survival of these six countries but also avoiding, for example, during nationalist movement in the Arab world, the leftist currents, especially in 1960s, when USSR had been very affective on nationalist Arabs. On the other hand when in 1964 King Faisal from Saudi Arabia visited president Kendy, he had said that; 'USA does care about Saudi rejime however, for me the whole Arabian Peninsula is more important'. But also, USA was very afraid from nationalists that could take power in the Gulf that is why Keneddy had promised Faisal for full support in terms of technical assistance in Media to set a TV Canal. (Ahmet, 1981, p. 32) This had clearly showed for all that USA had always ready to be a shield for Gulf region.

Untill 1969 Nixon Doctrine, Eisenhower Doctrine carried on its existence and influence. However, Nixon Donctrine prepared the base for respectively; replacement of Britain by USA, usage of local human resource in regional military security, opening gate for the military aid towards Arabian Gulf, and the last, declarence of 1980 Carter Doctrine. (Americanews, 1991) In pursuit of British withdrawal from the Gulf, USA went for the strengthening of military bases around the oil fields. (Dahman Alnuaymi, 2017, p.43)

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²¹ 5th january of 1957 dated Eisenhower Doctrine could be summarized in three articles; 1- Economic aid for Middle East countries those who wish to protect their independecy. 2- Military support for those who wish to. 3- On the condition of Gulf contries wish; using USA army against the attack from a country who is under control of international communism. (Hugo McPherson, 2005, p.62)

Briefly we can say that, in recent history USA's politics towards Arabian Gulf countries basicly related to three factors: In respect to oil in general west, particularly American interests; Gulf and Middle East being center in terms of strategic position, and reality of Cold War, which means USA aimed to confinement of USSR in the region. The statement was being occured during 1973 to secure USA for accessing oil, likewise Carter Doctrine was declared in 1980s for the same purposes. This doctrine had been declared on the contrary to USSR that had wished to invade Afghanistan and control the energy currency in the Arabian Gulf. Therefore, both Britain and USA's politics were formed in accordance to Arabian Gulf; basicly keep the energy resources under control in the region. (Kostiner, 2009, p. 16)

When we look at the situation during 1970s, generally in Middle East particularly in Gulf, the picture was like; After war of 1967 arabs have lost, Egypt's leader position disputed, detracting USSR from Egypt, have been looking to restore its strength, Britain's protectorate position has come to an end, fulfilling the Britain's position in the region rose Iran up, Increasing strength of Iran faced with problems of Iraq and Kurds which obliged it to withdraw, and tensions between Iran and Iraq has risen. Together with abstaining from direct involvement in the region, USA who has not gotten rid of Vietnam syndrome yet, deeply it had engaged into the region's politics.

From Arabian Gulf's perspective, despite the fact that political changes in the position of Egypt well welcomed, still Palestinian issues had maintained its positions as a problem in the external and internal politics of the Gulf. Moreover even though they kept silence for USA's support to Iran, (needed to support because during period of Dr Musaddaq, communist were getting strong) underhanded this was disturbing the GCC states. Due to the regional politics of USSR, it was having the potential of triggering Islamic fractions (like what had happened in Afghanistan. Even in schools in Afghanistan, USA were deeply encouraging the Jihadist Curriculum to enrich militans who were going to form proxy militans fighting against USRR) and arab nationalists, even though islamists and arab nationalist were in different way of thoughts, Arabian Gulf's leaders were anxious due to their regime survival. (Washingtonpost, 2002)

Due to socialist regimes, internationalists and narratives against private properties of non-gulf arabs, together with statements about radical changes that wished to be done in the Gulf, feared the Gulf's authorities, and the structure of state was totally against them. (Ahmed Mahdavi, 1991, p.32) These discourses at a later stage were projecting USSR's hegomany in a hierarchical international structure. Gulf countries, being against communism were absolutely natural since they wanted to reinforce national sovereignty and structure of regime, and endevaours in this direction were being tried to strengthen by activating cultural values and Islamic identities. (Carter, 1979, p.78)

The USA's foreign policy towards Saudi Arabia was based on a number of basic principles that considered the elements of identity and thought in the Gulf states. Supporting of the territorial integrity and sovereignty of Saudi Arabia, respect for religious and traditional sensitivities, and claping things which have done for modernization, instead of criticizing things havent done yet were the primary ones. (Couberg, 2003, p.3)

As Mansoor Kahtani said, it is necessary to ensure that the economy is stabilized by enhancing the reputation and sustainability of the Saudi dynasty in the context of these principles; the development of petroleum enterprises and industry, the stabilization of the economy by making financial and monetary reforms, providing US investors to invest in this country in the necessary fields, aiming to establish and maintain a strong Saudi army through procurement and training, carrying out public interest activities in humanitarian areas other than religion issues, explaining the importance of Saudi Arabia's geostrategic position towards petroleum in the country and being against communism in strategic matters.(Kahtani, 1994, p.41)

Although the Gulf states were stabilized with the support of the western countries, they preferred to take the side of the "best" western-allies for their interest of territorial sovereignty. For example, in the period of Saudi Arabia's foundation, the Saudis preferred to act with the USA, that came from a farther geographical area and had seemed very 'friendly' and USA had just begun to recognize the arabian territory and had the kind image of looking for allied states in that area; instead of acting together with the UK, that had already penetrated deeply into regional politics. (Arı, 2005, p.168)

King Ibn Saud confessed many times that he had hated the British. For this reason, the Saudi Arabian administrators have always kept a distance towards British administration, and also have been in search of a power to balance the UK. Therefore at the beginning of the 1930s, when the Kingdom was newly established in a financially difficult period, they agreed with the US for the oil exploration. Factors

such as; the increase in global demand and the increase in oil prices due to international tensions, getting into a the structural transformation process of the petroleum industry and the state of petroleum companies becoming fashionable in petroleum producing countries, have forced the Gulf states to develop a different and more effective external policy. (Arı, 2005, p.170)

On one hand the increase in oil revenues in the course of extra production had relieved the Gulf countries in their internal and external policies, on the other hand it caused them to enter into new obligations and responsibilities. Since its establishment, the interests of the Gulf countries and the United States have prevailed. US companies have discovered, processed and marketed oil in the region. (Adler, 2009, p.33) Thus the people and the dynasties have reached an unprecedented richness. In the same period, US companies have made great profits from their activities in the region.

From the perspective of consumer countries, they have had the opportunity to meet their energy needs at relatively affordable prices, at least until the beginning of the 1970s. However, these interests have been defined and realized through a number of identifications. For this reason, it should be taken into consideration that the ideologies, ideas and elements of identity are also important factors when considering the Western countries' approaches towards Gulf states, and the conditions that bring the Gulf countries together with the West.

The interests of the Gulf states and the United States have also been united at the common desire of restricting the Soviet Union. Although there may be some differences in tactics, this common goal was one of the basic elements of the Saudi-American dialogue and it had been the driving force of some common initiatives. The United States and the Gulf states were also united in the stability of the region. But as in the case of the Palestinian problem, there have been serious differences in visions of policies which have been changing now days with the rulership of King Selman bin Abdulaziz Al-Suud (further of this chapter it will be elaborated in detail) Nevertheless, there has been from time to time tensions between the Gulf states and the United States. These tensions sometimes showed up and led to harsh disagreements and a periodic trust crisis. Relations between the Gulf states and the United States have been filled with dilemmas, where sometimes the interests and sometimes the identities overweigh.

In fact, this judgment could have been applied not only to the Gulf states but also to the entire Middle East region. The main reason for this is, the deep controversy of identities and interests in relations between the parties. In terms of the Gulf states the situation in general was like; the United States is, on the one hand, their sole supporter in the international realm, the guarantor against the communism, the safe point of oil market, petroleum capital and weapons supplier; on the other hand the it is the unchallenged supporter of Israel, that is the most important danger with regard to region's stability. (Cordesman A., 2007, p. 2)

At the same, religious and cultural base of USA and Gulf totally are different from each other. While USA is liberal and pluralist democratic modern secular country, Gulf countries are conservative monarchies and Wahhabi based Islamic understanding is the primary way of cultural religion. The only thing leaders of the region thought that stability of the Middle East depends on the resolusion of Palestanian issues, however they knew that they needed more than staying isolated and dependent to USA foreign policies to protect advantages and interests of region. (Cordesman A. H., 2001, p. 65) For this reason Gulf countries were in a complicated approach towards USA that is being seen as protector of Gulf whereas also a source of anxiety.

As for USA, the Gulf was in a position of the energy source of industrialized modern and liberal world, a region that has to be protected from communist world and having vitality in terms of geostrategy, efficient, secured and stable market for industrial goods and a finance resource that is serving purpose for closing current deficit of Europeans. The more important than that, during 1970s and 1980s, Gulf countries were the most crucial proponent and supporter of USA to avoid USSR's communist influence and rejime export of Iran towards Middle East. On the other hand even though westerns feel compulsory to support Gulf identities and rejimes due to stability and mutual interests, for them Gulf's rejimes has always been repellent.

Many American citizens (31%) were against first Gulf War by asserting that USA had no obligations to protect feudal monarchies (Moore, 2001). However, as we said; USA has interest with stability in the Gulf. Even though time course or duration of democratization is the condition for longterm stability; it could turn these countries' political positions upside down in the region. I think this could be unwanted issue by USA. Because, democratization is kind of weapon. Voting in the region especially by

radical Islamist groups could turn whole political stability against westerns and choose radical Islamist power, which USA never wishes to see in the region. That is why they compulsorily support pro-western Arabic athourities in the Gulf.

As we have explained in theoretical part of this study; dependency clearly has seen in the region. As in the 2nd chapter I have clearly emphasized and putting impression on the revenue sources of oil... Here we have to say that there has been a big influence of international structure on coming and returning back of these revenues. As indicated in the 2nd part of this study; exploration, production, transportation and the consumption of Gulf's oil largely occur in the West. This caused Gulf countries to be addicted to Westerners since being in respect to strategic and economic source as oil and its revenues. Therefore international political economy structures had turned Gulf countries into western-guided nations.

Another problem untill now is know – how of Gulf countries seems insufficient in terms of oil extracting technology and how to evaluate revenues from it, which has caused Gulf countries compulsorily to comply with American strategies. This is not about they really sincerely want it, but this is about recent history of Arab – Israel relations and the wars they were into in 1967 and 1973, plus, deprivation of technology and incompetent engineering information. They have learnt their lesson from these two wars that they had lost against Israel. Their later authorities hadn't encouraged and promote to encounter lack of technology, which has caused Gulf to be dependent until now.

4.2.1. Recent Gulf Relations with USA: To Sum Up

It was a long time almost 34 years that Gulf and USA got married. This was very fruitfull for both sides, even though like every marriage there were ups and downs. Non of the sides can't do without other. Here the both of them are the Shield for themselves. This is absolutely I call Oil Shield. However, Gulf elites begin to worry that this section of tensions is different from those previous ones. This has occurred during Obama term.

This time they scared that USA not only disagree with their opinion about region, it doesnt care about their views since Strategy of USA commitment to the region, generally is no longer solid. For them, turning its attension to Asia means retreat from the Gulf. Plus, American's 'energy independence' sayings added more worries

to Gulf. (BBC, 2013) Further more when USA has pulled itself from Iraq and some forces from Afghanistan their allies thought that it is very preoccupied with its internal agenda. As Richard Haass, the head of Board on Foreign Relations putforwad, "Foreign policy begins at home....The biggest threat to the United States comes not from abroad but from within." (Haass, 2013)

Seeing USA's control over nuclear steps in Iran and pushing it back make Gulf happy while they are worried about the deal between US and Iran can cause an acceptance of Iran's regional ambitions plans. Especially among Saudi Arabia, and the US there is a tension since last years due to policy toward Iraq and Syria for not effectively taking action against Iranian threats. This is actually because of ISIS (Islamic State of Iran and Syria), the success of ISIS in Iraq has been read by Gulf, 'might push Iran and US closer'

The Gulf- USA relations is a typical case study of the dilemmas of built in alliance between powerful side and weaker one. We can see this in some studies that the tensions occur between fear of abandonment on the weaker part said social scientist Glenn Synder summarizes this in his study called "The Security Dilemma in Alliance Politics," (Snyder, 1984, p. 460) Gregory Gause has argued that

'this structural fact explains much of the tension between the United States and its GCC partners: "When the United States threatens Iran with military strikes over the Iranian nuclear program, the Gulf states fear that Iranian retaliation will be against them. When the United States signals a willingness to negotiate with Iran, they worry that Washington will anoint Tehran as the regional hegemon.'

These countries are always worried about abandonment due to changes that could happen in terms of dynamics of relations with USA together with the fearness of falling into disuse which has been always in the past. Since few decades of strategic relations with USA, they still couldn't get any leverage. Whenever USA threated Iran about its nuclear attempts, directly Iran threaten the GCC for counterstrike together with shutting down the Hormuz Strait. Therefore to protect these regional indigents, USA has deployed the following bases;

- 'Central Command Naval Component, or NAVCENT, in Manama, Bahrain;
- Air Force Central Command Component, first at Eskan Village in Saudi Arabia before moving to Prince Sultan Air Base and then to Al Udeid in Qatar in August 2003: [SEP]
- Army Central Command Component, Kuwait; [SEP]
- Heavy Brigade sets of ground equipment in Qatar, Kuwait and afoat;

- Harvest Falcon Air Force equipment at Seeb in Oman; SEP!
- Aerial refuelling detachment at Al Dhafra in the United Arab Emirates.' (Kaim, 2008, p. 46)

Both sides know that abandonment would be useless for either side since there are few options for both of them. We can see some steps from American side recently to impower the relations which the thesis will be explaning shortly after. Since 1981, formation of Gulf Cooperation Council, after 34 years, the USA seriously having agreements with Gulf states, and it sees them as a united block. Whenever one is wrong or out of way punish it with the others, like what has happened in 5th june of 2017 for Qatar.

In 2012 April, the USA has started with its Arabian gulf partners a forum called Strategic Cooperation Forum. Secretary of State Kerry and his Arabian statesmen who were there as a part of the forum, came together in the fall of 2013, as a gorup in NY while UN General Assembly is on the agenda. (Gulfnew, 2016)

They render the forum in an extentional way so that for the first time to include meetings that is going to be done annually which was announced by Hagel, the Secretary of Defence in Manama in October 2013. Another offcial said that, meetings and gatherings are very crucial in terms of setting the priorities and steps which are being defined by their diplomats and officials in order to address the threats of bothside. To back on track with USA, these Arabian countries need to order theirselves in the 1st steps. After almost 30 years, disagreements and oppose views among the GCC are on scene. But things going smoothing slowly between them that was lead by reconciler Kuwait's emir who has always been active behind the curtains. The different views between the two colleagues persist; 'The opinion in W. DC is confronted by voices, in US and Gulf region both, questioning the influence of the policy and motivation back of it. In the whole Gulf there is a current view that USA's policy is a cover for sucking treasuries by selling arms for their permanent presence in the Gulf. (Abdullah K. Al Shayji, 1997, p. 2-14)

The solid selfinterests for either sides should be the fundamentals for setting again the plans between the Gulf states and the USA. Zero-sum play wouldn't work here, but a win-win will do. The USA with its mediators and officials should take care and concern about Gulf's worries seriously which are about détente with Iran, be easy with hegemonic plan of Iran, and Iran's meddling in the GCC, feeding psychology

of secterian strife and inflaming the Sunni-Shiite conflicts. Moreover, GCC is expecting an effective steps from USA about dealing with Syrian deadlock, to weaken the current regime on the land and as soon as possible push a solution at the table. (Al-arabia, 2017)

The shared solid interests is graved in the strategic relations between the GCC and the USA which as I have abovementioned in recent history the commitment of US to the defence of its Arabian colleagues. This is usually we always keep on hearing repeatedly from U.S officials and leaders. According to my thoughts and observation during my visitations of UAE, Bahrain and Saudi Arabia recently, their general view as such that; Gulf has to appreciated and notice this strategic partnership. There are thousands of common interests that converge us than diverging our problematic issues in the end Gulf gets undermined by it, said most of the officials or managers in private sector whom I met. The prosperity is vital for their regime existence, any blink that, even not related with Iran but related directly with their purpose of entity, they are absolutely ready to do; Even it is unusual demand asked by the USA. For example, currently after power is being held by King Salman things have changed, just two weeks after, when President Trump visited the Saudi Arabia there were some modarate commitments. There were sudden accosians have taken place such as; Gulf states, not all but particularly Saudi Arabia, UAE, Bahrain and particially Oman and Kuwait practised a defacto sanctions on Qatar. The four countries have asserted that Qatar works to backup "terrorism", keeping good relations with Iran and meddles in the internal affairs of their countries.

Moreover Prince Mohammed the son of the King has indicated clearly that they are moving to an era of 'Moderate Islam' (Untill now Women weren't able to drive, however currently they do). Prince Mohammed also command to detent and arrest thirty five prince and four ministers for not obeying this new term of Saudi Arabia. Not only these but the most sensitive spot according to this study was, one of the most famous Imam of Ka'bah, Sheik Abdurrahman Sudaydi's narrative; He exactly said that; 'USA and Saudi Arabia are ruling the world peacefully'. Another Imam, Mufti of the Mekkah and president of ulema committee of Saudi Arabia Sheik Abdulaziz Ali said that; 'it is a sin fighting against Israel, the Hamas²² is a terorist

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²² Paramilitary force and political movement fight for the salvation of Palestine. Literaly known as *Ḥarakat al-Muqāwamah al-ʾIslāmiyyah* Islamic Resistance Movement.

group, it should be cooperated with Israel to enconter HizbuAllah.' After all these statements, three prices have been killed by armforce of Saudi Arabia for not obeying detention, one of whom was the most beloved son of King Faisal (Aljazeera, 2017)

All of these events have taken place right after President Thrump visit to Saudi Arabia. His thoughts and relations with the Gulf seems more rigid than previous presidents which has been realized we guess by Gulf leaders so that they have taken position according to his ambitions. During his election campaing he also said that; 'Gulf countries are only producing money and they are going to pay all our debts, they can not sustain their existence without our protection' which is an example to specify his vision towards Gulf countries. The new agreement amount on which USA and Saudi Arabia have reached is USD 500 billion and Saudi Arabia has promised to invest around USD 1 trillion in USA (Islahhaber, 2017) which is eight times higher than national reserve of Turkey. Furthermore, After Trump's visit to S.Arabia, preexist continual disputes between Qatar and other Gulfies has risen, which has caused sanctions applied on Qatar. Was it a coincidence after Trump's visit that all these sequence of events took place? In order to answer this question we shall go over range of time starting from 1991 onwards.

4.2.1.1. Qatar – Gulf Disputes Between 1991 - 2017

1991: There was a border disputes with Bahrain about Hawar Islands. Moreover Zubara town that is on the mainland of Qatar was in dispute. By intervention of Saudi Arabia an armed involvement avoided between two countries in 1986. In the end International Court of Justice has decided that Bahrain had claim on Hawar Islands and one of the reefs, whilst the rest of reefs, Janan Islands and Zubara were given to Qatar. (Kostiner, 2009, p. 26)

1992: Border clash between Qatar and Saudi Arabia has occured resulted three deaths in that year though they had an agreement in 1965 about setting the border plan. Qatar has asserted that S.Arabia had attacked its border beyon at Khufus whereas S.Arabia claimed the opposite. (Kostiner, 2009, p. 27)

1996: S.Arabia and Qatar has signed a border line agreement. This deal process has taken four years to fulfil, whereas settlement of this border subject wasnt accomplished more than ten years later. (Kostiner, 2009, p. 28)

2006: Saudi Arabia last minute has revoked its approval for gas pipeline to be built towards Kuwait, which was going to pass through Saudi lands. In 2000 the 1st agreement has been signed between Kuwait and Qatar to allow Kuwait importing Gas from Qatar. Later on, in 2003 S.Arabia permitted to pass it through. Furthermore in 2006 again it rejected another pipeline plan to UAE and Oman, which is known as Dolphine pipeline. But before that S.Arabia has also opposed to a bridge project between Qatar and UAE in 2005 and between Bahrain and Qatar in 2008. (Kostiner, 2009, p.32)

2008: S.Arabia and Qatar have reached an agreement after long tensions about borders issues. Later on Sultan bin Abdul Aziz visited Doha for a goodwill since 2002 when the ambasador has been withdrawn by S.Arabia. (Kostiner, 2009, p. 35)

2010: Sheikh Hamad bin Khalifa Al Thani, remits number of Saudies those who were accused of being in a coup action against him which was actually a reply to a demand by King Abdullah of Saud. This remit had a crucial role between the two states in terms of improving the relations. (Qatarijournal, 2012)

2011: From the time Arab Spring has began had a little influence to inner social movements in GCC. But Bahrain was the exception of it that faced unremarkable of riots. However these two countries backed two different sides during the uprising. S.Arabia supported the current regime whereas Qatar supported the people. (Qatarijournal, 2012)

2014: A Qatari citizen has been jailed in UAE for supporting Islamist Political Society and he was determined as a representer of Muslim Brotherhood by the Emerati prosecutors. Due to support of Qatar for Muslim Bortherhood, UAE, S.Arabia and Bahrain suspended the ties between Qatar. These countries have labeled Muslim Brotherhood as a terrorist organization. Furthermore Qatar was being accused by these countries due to its breach of 2013 GCC security agreement which is consisting a promise code not to interfere into the internal affairs of other fellow GCC countries together with feeding and supplying the hostile media ortanizations. Between these three countries and Qatar, eight months of conflicts and frozen ties ended by returning their ambassadors back to Doha. (Aljazeeracenterforstudies, 2014)

2015: There was foreign policy objectives of UAE which was planned and promoted by hired UK consultancy company for last seven years and everything was being carried out in this agreement would be the part of the confidence. Among the tasks assigned to the company was informing english journalists about Qatar which consisting of accusations in terms of terrorist fundings. (Aljazeera, 2017)

May 2017: There was a statement attributed to the Emir of Qatar by hacking the website of Qatar News Agency. As if Emir is accusing Saudi Arabia. and UAE for intending and funding the coup in Qatar. Announcement has done by offcials in Qatar by warning about the false statement. Although denial of officials, some of regional media currents continued to quote the hackers claims. (Aljazeera, 2017)

And the last incidents between 4-6 th of june 2017: Hacked UAE's ambassador email in USA which was including informations like; talks between pro-Israeli thinktank in Washinton DC along with jeopardizing the image of Qatar and request to move USA air base of Central Command operations in Qatar to UAE. Right after this incident, in 5th june, S.Arabia, UAE, Bahrain and Egypt announced that they would cut diplomatic relations with Qatar. They had given Qatari diplomats 48 hours and citizens who live in their country to leave in two weeks. Also GCC coalition in Yemen war has expelled Qatar. They have closed all spaces air and sea with it. Even though Qatar said that, there was not any concrete evidence for their accusation to cut the ties. (Theintercept, 2017)

Every one has its own reasons to do so, for example, respectively; Egypt's view about this case as such that, Qatar keep on supporting islamic extremists (Muslim Brotherhood) in the region and it is hosting them, together by supporting their media organisations in the country. We can say that Saudies claim that, they are also suffering from this problem. But from its perspective most crucial one, was that Qatar triggers armed terror organisations which is destabilizing inner situations of S.Arabia, by not cutting relations with Iran that also triggers Shiite population in east S.Arabia. On the other side, UAE too, condemning Qatar by hosting Muslim Brotherhood and its leaders in the country. All of these are the sequence of events that create a rift between Qatar and its GCC fellows since 1991. Moreover Qatar's wish to balance relations with its neigbours. For example with Iran, its aim is to always keep the win-win case, since it has the physically closest border with it, while

Qatar also tried its best to balance relations with GCC states untill now. (Gulfnews, 2017)

Cemal Abdullah who is a lecturing about Middle East and Gulf in Oxford University indicated that since 1995 Qatar has decided to have an eigen state in foreign policy by pulling itself away from the controll of S.Arabia and have independent foreign policy among the GCC. (Abdullah, 2017)

Also as political scientist Muhammed Muhtar Shanki claimed that this occurings werent just planned in months or a year, it is a sequence of incidents had happened more than a decade (Shanki, 2017) which is why we have specifically given uppermentioned dates to see recent historical relations of Qatar with its neigbours. Considering the last sanctions applied to Qatar, we can clearly see that it seems the situation wont last for years. Because these disputes occured in the this sub-region is the evidence to one common thing, whatever it takes and whatever conflicts they have, in the end their security structure is the common since they know that if one of them is burned the other will too, because in 1st Gulf War situation in Kuwait directly affected whole subregion and also since 1991 until now they had sort of disputes and conflicts with Qatar. Therefore, their common security structure organizer, according to study, is the big brother USA, about which one can find it as an explicit confessions in the hacked emails of Yousaf Hotabi who is ambassador of the UAE in USA (Theintercept, 2017) Moreover, as we know that CENTCOM in 1981 has urged Gulf states to establish Culf Cooperation Council to union them for their security structure, which this study is going to enclose it in this further phase of the thesis, will be another example that whatever it takes in the end – even they are reluctant – they will find common interest to union.

4.3. Threat Perception and Security Challenges of the Gulf

States usually solve the problem of existency by choosing to be strong in terms of politically, militarily and economically. For example, militarily, securing itself means that the country considers the differentiation between itself and others in the context of attack and defence. On the other side politically securing means, organizational stability of states, their ruling system and legitimacy through an ideology. And economic security is about the access to finance, energy resources and

the markets to reach a sustainable level of wealfare and state power. Considering the situation from this perspective, making a distinction between country's economic necessities – particularly subject has always been the economical resource from the oil revenues, and security necessities that is being overcome by these revenues – creating an oil shield literally. This situation is also valid for not only consumer countries but also for producer countries too. Worries about oil market, the Gulf which are being totally ruled by Monarch system, is not only considered international position but also its internal politics. Therefore this makes Gulf's threat perception more complicated than the ordinary known threat perceptions. (Buzan, 1991, p. 29)

Security policies of Gulf, considers internal, global and regional level of threats. Besides religious opposition, demand for democratization, politicized middle class (which threatens dynasties), influence of USSR in the context of promising sovereignties for region'countries, Arabian nationalism and religious narratives against monarchies, especially by Iran, had generated external threats, and some of these countries still are generating. But it is very strange that Israel's position isn't perceived as threat as regional powers, even though they do have a nucluer capacity. On the other hand for some, Israel was the reason for triggering communisim and Arab nationalism in the region. Moreover, as far as relations with Gulf countries with USA played crucial role, strategic threat perception about Iran and distinction between Wahhabi²³ - Shiite will continue since Iran itself is also a threat to Israel. The report that has been prepared by US Ministry of Defence together with department of Manpower Data Center (DMDC) indicated that, until last year, the Pentagon's number of stuff in the Middle East was 54.000, which is currently increased to 180.000 officers in 2017/10. In the report, the highest number of stuff in the region is respectively; Qatar, Bahreyn, Kuwait, Syria and Turkey. (DMDC, 2017)

Like Katzman said, on the condition of USA's strategic security umbrella, these Gulf countries, supported US Middle East policies (consisting policies towards Israel) economically and diplomatically. On the other side, they tried their best not to be away from disposition of the Arab World where they are the member of it. (Katzman, 2002, p. 4) Dynasties in the Gulf have perceived opposition movements that is collerating with outsider Powers, one the most dangerous threat against

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²³ Wahhabism is an Islamic doctrine and religious movement founded by Muhammad ibn Abd al-Wahhab.

themselves. Because of their economic development depends on oil revenues, this, not only subordinates them to outsiders but also probable clutters inside, interacted with external factors. These countries actually didn't worried about invasion of powers like; USSR or USA but they did worried about influence of an instability, conflicts and radical ideologies in the Middle East. (Balamir, 2006, p. 6) Especially during1980s rulers of S.Arabia mostly worried about threats that might have come not from outside but inside in terms of coup, ideologic wars, blackmail or sort of propagandas. (Gause, 2006, p. 120) Except Iranian regime export initiatives, as an external threats which could mobilize the secterianism in the region. Because most of the riots took place in Bahrain, S.Arabia and Kuwait were due to Shiite Secretianism of Iran after 1979 revolution. (Ayhan, 2005, p.9) Accroding to some this is not actually Iranian religious attempt towards the Gulf only but creating the Shitte Cresent²⁴ in the whole Middle East, starting respectively from; Syria, Lebonan, Iraq, S.Arabia, Kuwait and Bahrain.

Actually threat perception of S.Arabia in these years began in 1960s. Since 1950s S.Arabia had to struggle with pro-Nasr Arab national revolutionists. Precautions had to be taken in case these nationalist sense would attempt to crown Faisal and discrown the King Saud bin Abdulaziz, for not doing its duty in terms of foreign and internal relations. At this point, Faisal's unique identity should be taken into consideration in terms of his influence on internal and external politics. When Nasr had been defeated by Israel in 6 day wars in 1967, Nasr's prestige in the Arab World had been jeopardized, Egypt has withdrew its forces from Yemen and had signed ceasefire agreement with Cairo. Under the favour of huge financial assistance of S.Arabia to Egypt, it had protected itself from more propaganda and coup threats that had might come from Pro Nasr Arab revolutionists. In the forthcoming years, S.Arabia had developed its relations with other arabs, and tried to cope with internal threat chances by applications of careful and decisive development programs of the King Faisal.

Years between 1967 and 1977 had been the terms of stability and welfare for Saudis.

²⁴ In 2004, Jordan's King Abdullah II used the term "crescent" to warn against the expansion of Iranian influence in the Middle East. This was later picked up by then Egyptian President Hosni Mubarak who said, in an interview with Al-Arabiya, that Shias in Iraq and across the Middle East "are more loyal to Iran… not to the countries they are living in. (foreignpolicyblogs, 2016)

Also as previously, we have mentioned vast amount of oil revenues can lead some part of society to be disinterested in political affairs, these countries usually called rentierist states. Therefore, by injecting money to society and surrond those with it neutralized the labour syndicates. In addition, expenditure of state for social attempts blocked the radical nationalist movements, which had prevented the penetration of communism and USSR threats in the Gulf. (Vassiliev, 1998, p. 36)

The things occurring in the Middle East, S.Arabia had showed susceptibility towards, such as changes of ideologies and authorities around them. When there was a problem that they could have solved it by their resources they never hesitated, if not they asked from USA and this was not possible too, they choose to be silence, during, for example when there was necessity to respond USSR or Israel.

The attempts after Iranian Revolution and Saddam's nationalist calls have not corresponded in the Gulf. At this point, issuing in everywhere in Gulf not to trust Humeyni and Saddam and lose of attraction of their speeches had been affective factors, but of course the most influencing factor had been the spreading vast amount of oil revenues among citizens which automatically developed the internal security mechanisms.

Utilization of oil revenues, for strengthening the internal control mechanism, maintaining legitimacy and official ideology – Wahhabi Islamism – played a crucial role for protecting Saudis from the effect of external sourced ideologies. (Tarıqhizam, 1991, p.34) Even though revenues of oil have indirectly increased population, employment and education reforms, plus, being educated in Western universities; people still have no right of speech in their own country. This is might indicate that monarch's goodwill isn't the goodwill for their society but artificial act of patriotism to externalize the social demand of democratization that might requested by people.

On the other hand, only part of the society that could have a little effect is the high revenue groups which are also highly linked to regime and their authorities. This was the case after 1970s when society has fulfilled with high oil revenues, opportunities, social advantages. They have felt gratefulness towards regimes and some of them were very disturbed from westerns and status quo during 1990s and executed their reaction in somehow. The letters offered to regime dynasties and demands for

democratization had been the first sight of these reactions. (Al-mutava, 2006, p.43) During these years, the most effective reaction has come out by radicalism in terms of opposition towards Israel and USA, asked from regimes to be against but they didn't the way expected. Therefore these radical movements grew into, and perceieved as a threats for regimes. It could be put forward that this radicalization was leading influence on September 11 occurence too. (Historyladen, 2012) However current term of USA (Trump) and Gulf (Especially King Salman bin Abdulaziz), their correlation withness absolutely diffrent incidents.

I have lived in UAE for five years from 2001 untill 2006 and I have visited it many times. My observation was that the society was absolutely different than the ones in this late history: Ultra-globalized population in every part of Gulf, infact the currently this is the situation not in only UAE but in the region. Most of them are busy with western trends rather than being busy with problems of things occuring in the Islamic world, only few of the society still has the sensivity towards going incidents in Iraq, Afghanistan, Egypt, Syria etc... Only by tweeting proclaims about Muslimbrotherhood or riciting narratives from jihadist Islamic scholars is enough reason to be sentenced to years in jail. More than hundred member of Saudi Family has been arrested in 1st of october in 2017 due to radical shares in social media. (Aljezeera, 2017)

At the same time, most part of the society is careless and ignores the things going on. This is either because authoritarian suppression or hypnotized by ultra-gobalized western trends, which ease, for example, for pro-regime islamic sholars to claim that 'USA is our big (!) brother and fighting against Israel isn't allowed according to Islamic rules, and Hamas is the terrorist group'. (Alaraby, 2017) For example, a General of Military air force of UAE, Abdullah Al-Hashimi has said that, There isn't only an allied relationship between UAE and USA, but there is a win-win case, we are increasing our military capasity not against to our brotherhood country Israel, but Iran. USA is our big brother in this any case relations between UAE and Israel. (Al-Arabia, 2017) In this context we see different scenarios in Trump terms than the previous late historical term of the region.

In Gulf countries, military officers mostly elected from the member of loyal executive families. This is because in late history it was kind a tough to guide tribes loyalty towards central state due to conflics and rivalry between these tribes. (Arı,

2005, p. 196) According to Cordesman, this was hardening the conventionalizing soldier recruitment in Gulf countries. Shortly, in Gulf due to distrust in masses in the country, they gravitate to the ones those who politically support the regimes. (Cordesman, 2001, p. 10) At this point we can assert that Gulf regimes abstain from military services that could politicize the masses, especially by those who were being recruited and later on influenced from radical islamic movements which could have generated a threat for regime survival. (Cordesman, 2007, p. 3)

It isn't that logical to expect from citizens to sacrifice their lives for a country that they don't have right to choose authorities. They also are not able to use the modern terms of radical nationalism. Because in Islamic doctrines, as one of the Wahhabi scholar Mohammed Hayyam claimed, there is an understanding of Ummah (Brotherhood in Islam) rather than a superiority of race. (Alfetih, 2011) On the other side, there exist similar sense and conciousness that could turn citizens to sacrifice their lives, which is available in the origin of Wahhabi Islamism called Jihad. But due to early experiences, which had composed of the demands from 'radical' Muslim brotherhood for internal and external politics, form an apprehension on the monarchies. (Qasım, 1998, p.9) Therefore, regimes do not want to face with same experiences and threats happen again.

For this reason, Gulf countries do not have possibility and ability to mobilize all of their citizens for their defence. Because, they fear from different type of ideologies might spread in the army and when military personnel decide who are the enemies or friends, they might be misguided in accordance to foreign policy. (Abdullah K. Al Shayji, 1997, p. 67) In brief their fear is the manipulative military group that could have risen in the army for the purpose of coup on regimes. Comparing with their neighbors in the Middle East, small population of Gulf countries renders this situation more complicated form. Some of the shcolars claim that westerns engaged into every part of the security structure of the Gulf, are not willing these Gulf countries to form national armies like the one they own due to Enerygy security structure. This is absolutely because, particularly the USA willing Gulf to be dependent in terms of security. (Akramhuzam, 2011, p.23) On the other hand this study do share this comment partially. Because for good or ill, S.Arabia currently has a disciplined and regular army or conventional capacity of arsenals in UAE, is almost

the same as S.Arabia. In a way, what Akramhuzam claimed is true, but limited. Because as we know that after 1979 Iran's revolution, GCC has been found under the guidance of CENTCOM and Pentagon. However, in anycase GCC state's menpower is very limited comparing to other Middle East countries.

As we earlier indicated in the part of rentierism, society in the Gulf has been linked to the authority by transfering of oil revenues to citizens, which is based on the Wahhabi understanding of economy in Islam, which means 'don't rebel if state meets your necessities'. (Islamicscholar, 2016) Therefore, this situation could turn to a threat for regimes if rentierist states lose its allocation power or importance of Wahhabi Islamist disposition by nationalist currents or Iranian type of regime. The most concrete example of threat of this kind is the Osama Bin Laden and Al-Qaide. Hence, States in Gulf couldn't have formed a solid, substantial and western institutional manner of relations with its society, has also revealed sort of new threats for the Gulf countries. (Alhizam, 2001, p.34)

Furthermore, Gulf countries are not able to utilize the Islam or Arab nationalism in the matter of building army and identity of citizenship. Because, either these ideologies overstep the boundaries of the Gulf countries and force them to be integrated larger regions or international realm or expose them to the meaningless boundary dangers, which could open the gates for flow of extremists. What is left for them only; economic, territorial and tribal links, which is insufficient for the public of Gulf countries to be militarized as whole when it is necessary. (Abir, 2005, p. 19)

Under this circumstances, conflict or incompatibility between these internal ideologies, identities and international balance of power together with other sovereign state, that is always valid internationally, may expose Gulf countries to sort of difficulties. They are so filtered in terms of everything that comes from outside of the region. Because, countries that have rentier type of economy, their politics and economy is being determined at the top of the authority and it is not allowed public opinion in this form. What is expected from citizens not to contribute state politically but the loyalty. Along with internal worries, due to understanding of 'todays allies could be the enemies of the future', they didn't want to depend on regional powers such as Pakistan, Turkey or Egypt. Being ally with USA or other Western countries in terms of defence, trigger religious and nationalist groups

against the dynasties. Although Gulf States trying to improve the ability of defence, they haven't reached at this point of their own politics yet and have tried to keep USA and other Western countries beside them. In brief, due to their demographic, social and political conditions, in a manner of defence they became indigent to foreign armies, generally western but most particularly the USA.) (Al-Rasheed, 2015)

All of these Gulf countries are weaker than Irak, Iran and Egypt in terms of defence scopes and they are more dependent comparing to rest. This is also directly proportional to population of Gulf countries. Even though total population of Gulf countries is little more than Iraq; it is still half population of the Egypt and Iran. But of course there are other factors available as affective as population at least. In terms of army, Gulf countries' contributors from Shiite masses are also extremely low. (Arıboğan, 1996, p. 46) And as we have indicated before, it is not seen possible that Gulf countries to assemble huge armies or mobilizing their public for defence like other neighbours do, due to abovementioned reasons. Contrary to these countries, for instance; Iraq and Syria (at least before 2011) using suppressions and pressures, on the other side, Iran goes via rhetoric about revolution and religious narratives.

Israel and Turkey, however utilizing nationalist and democratic psychologies of the public; all of these countries easily have been able to go for conscriptions. Since 1990 among six Gulf countries, the only compulsory military service was in Kuwait²⁵ and earlier Iraq's invasion on this country, the service was able to overcome easily by cheatings of the citizens for not attending. (BBC News, 2004) If they knew that they would meet a more serious and potentially more distractive threat to the Gulf countries than the Iraq-Iran War, a big challenge to the Gulf Cooperation Council's effectiveness would show up in 1990, they wouldn't cheat for running away of military service

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²⁵ In Kuwait compulsory military service has suspended in 2009. Other than Kuwait the rest of the Gulf Countries has decided to enact a law about it during crisis period except UAE, in where conscription puted into practice since 2015 http://www.mei.edu/content/map/big-news-conscriptiongulf

After this invasion rumuors were around about S.Arabia that it was going to double the guards in the country. (Gerges, 2005, s. 4) But later on it didnt reach the capacity of armmen due to high elimination criteria (as previously we mentioned) and less applications to it. Despite the fact that Omani Sultan care much about the army and financial supports of the military service, which attracted the people of Oman also, this wasnt valid for the educated people in the other Gulf countries. If we need to compare about this circumstances from 1991 onwards; while number of soldier in S.Arabia was 111.000, Iraq that has the twice population of S.Arabia, was holding almost 500.000 soldiers. Syria that had a little more population than S.Arabia was having almost 400.000 soldiers. Jordan that has the half population of S.Arabia is having almost 100.000 soldiers and Israel is having almost 140.000 soldeirs, also 500.000 backup soldiers for spare incase anything worse happens in the region. (Gerges, 2005, p. 78)

Gulf states have gone for recruiting foreign officer in order to close the armymen deficits. For instance; In UAE and Qatar's foreign officers in the army was 28 % since 1991, which currently almost is increased to 35%. During Iran-Iraq war, S.Arabia also brought two brigades from Pakistan, subsequent to this, 10.000 of Pakistani soldiers had been left in the region as a part of coalition forces. (Walid, 2013, p.5) At the same period of time, it was known that one third of the army in Kuwait was made up of tribes who are not citizens of nowhere. Alot of of high rank foreign officiers appeared during the education of these soldeirs in Gulf countries. For example; untill 1990s soldiers werent omanis, later on Omani army was nationalized. At this point we should consider the influence of allocator/Rentier state in terms of oil revenue effects in the country. The loyalty of Mercenaries or foreign soldiers is arguable and controversial that was very contradictive in Oman particularly. (Fetizam, 2006, p.34) That is why citizens feels alienated towards their own states especially in S.Arabia.

The Gulf countries has bought the last technological and the most expensive weapons in order to close manpower deficit in their defence systems. At this point the most advance ed countries among themselves though are the S.Arabia and Kuwait, the rest of four are also have the vast budget for it. (Globalsecurity, 2016) while we do putforward this, we compare the expenditure per GDP of that country. While UAE's budget for defence is USD 23 billion, the budget of Kuwait is USD 7

billion. Therefore in terms of population, Kuwait spends a relatively high percentage of its GDP on defence, as of 2016 about 7% of GDP; ranking 15th in the World while UAE is the 18th on this rank. (Globalsecurity, 2016)

However, this has rendered Gulf states more foreign- dependent in the context of defence. First of all, advanced weapons are bought on the condition of long-term agreements. Second of all, the maintenance and servicing of these weapons depend on the exporter. All in all, in foreign policies of Gulf countries, their addiction to these weapon exporter countries like USA, France and Britain, has enhanced. Although high amount of fund transfer for sophisticated weapons had been made, demanding foreign aid for protecting Kuwait's vessels during last years of Iran-Iraq war and surviving with the help of coalition forces that directed by UN have revealed the extension of dependency of these countries. This has rendered internal public opinions more sensitive and has caused opposition voices (as Usama Binladen said himself that 'this was the one of the solid reason') to intervene more in foreign politics. (Rubin, 2002, p. 145)

Education programs applied under the favour of oil revenues, the more citizens got educated the more they were opposed to these program comparing to back in the days, and bounch of western enemies were growing faster and faster in the region. As a matter of fact we see this during 1991 and 1992 in the petitions that were presented to King of S.Arabia containing demands such that decreasing import of weapons, increasing home productions and diversifying the weapon industries. At this point, oil revenues had been the determinant on the foreign policies of Gulf states. For example, procurement vast amount of weapons, when oil boom was show up, didn't cause a problem financially but after decrease in oil prices, variety of disputes has occured in terms of internal and external politics. Furthermore in that petitions, what has emphasized was that in the scope of vast amount of expenditures about weapon imports didnt resque Gulf countries of dependency rather it made them more dependent to western technologies. (Gause F. F., 1997, p. 12-14)

Even though the governments of the Gulf States claim that the existing national armies were established against external enemies, (Mohammedriyadi, 1994) the fact that the Kuwaiti Army couldn't do anything against the Iraqi occupation, shows that the underlying reason for the existing national armies was actually the security

against internal riots. Indeed, as Muhialdeen Akram pointed out, the Omani army was used to suppress the Dhofar rebellion between 1970 and 1975. (Akram, 1991) In the United Arab Emirates, it was usual for the sheikhs using the army during internal conflicts while struggling for power. However they have not needed to use army against any riot so far.

Whereas in Saudi Arabia; although the army is equipped with the latest technology, it seems to be designed according to tribes and to prevent an internal rebellion rather than a regular army. In Kuwait, Bahrain and Qatar, the number of troops is extremely low in the sense of struggling with an external hostility. (Haldun, 1987, p. 137) It is noted that the number of police officers increased considerably after the 1973 oil crisis. (Gause F. G., 1991, p. 23)

When considered that the sharing of intelligence between the Gulf states through GCC is further deepened and internal security related matters are subject to cooperation, will be better understood how oil capital can turn into a means of pressure which is also establishing an oil shield. After the Gulf War, the Gulf countries were comfortable in foreign policies as well as in domestic. In this period Arab countries, liberated from the influence of Arab nationalism and politics of Khomeini, have been protected by USA's regime guarantees through encirclement of an important enemy, like Saddam Housein. (Beblawi, 1990)

Following the years of victory gained by Kuwait via coalition forces, Qatar, Kuwait, Bahrain and UAE all became a partnership and joint signatories with the USA in DCAs (Defence Cooperation Agreements). As John Duke summarized the provisions of DCAs, of which actually Oman has signed it ten years ago, are respectively; Every one of the GCC signatory countries would allow the USA to locate military equipment within its territory. The aim would be to increase the impact of potential defence when it is really required. The deals also provided for regular consultation on and exchange of defence-related information as well as the periodic holding of joint training exercises and field manoeuvres. Saudi Arabia, although alone among the GCC members not to sign a DCA, remained host to American, and to a lesser extent British and French, military advisers. Of these, the Americans and French conducted daily air sorties over southern Iraq - Operation Southern Watch. They did so to ensure that the Iraqi government did not resume its oppression of Iraqis in

the area extending from Baghdad southward to the city of Basra and the Gulf coast. (Anthony, 2006, p. 16)

The activities of the Gulf Cooperation Council indicate that the GCC states are keen on acting alone and maintaining their sovereignty on their own territory. These countries have been seeking for distant allies against close enemies to maintain their sovereignty. For example; they have chosen Britain against the Ottoman, and westerns against the USSR or against Iran and Iraq, as allied. It is on the contrary to what we have just said, but this was absolutely what has taken place in 1999: Gulf states have requested Iran and Iraq to be mediator during disagreements (even though it was very unusual) among the Gulf states themselves, (Faris, 2010, p. 5) As a matter of fact, even in 1992, when the Kuwait occupation had come to an end, Qatar had signed a military agreement with Saddam Hussein's Iraq in order to resolve the border disputes with Saudi Arabia, leaving the GCC mechanisms to other side. (Gause F. G., 2006, p. 131) But what ever happends in the end, generally, these countries try to act as one as possible unless they meet serious threat from one to another. Qatar in this term is one of the most targeted GCC member by S.Arabia, UAE and Bahrain. The latest claim was in 28th october 2017 that 'S. Arabia and its allies expand Qatar 'teror list, adding two islamic organisation, 11 individuals they said that they are backed by Doha' (Aljazeera, 2017)

Therefore it can be argued that the peaceful culture among the Gulf countries has not developed sufficiently and this Qatar case isn't considered as an exceptional act. The most important factor at this point is the perceived and applied form of the national / territorial norm of sovereignty in the Gulf states. Although the Gulf countries constitute an entirely homogeneous group of states in terms of the regime form, culture, geography and religion, there are obstacles to their transformation into a security community. First of all, the Gulf states are trying to perceive and apply the norm of national / territorial sovereignty in the most primitive and naive way. In this case it it difficult for the Gulf countries to move from a rival national culture to the stage of a peaceful culture and to form a security community. The Gulf countries are afraid of the transformation of Saudi Arabia into an overwhelming hegemony if the union is deepened and becomes more qualified. Because there is no country in the Gulf that can balance Saudi Arabia, like for instance France, Germany and England within the EU. Moreover, as Bellamy says, the permanent conflicts in the Gulf

region prevents the Gulf states to form a stable and qualified union. (Bellamy, 2004, s. 12)

At this point the most significant factor is that each of the Gulf states is directly interacting with the regional and global powers so that the Regional/global impact overrides the impact at the GCC level (impact at the closer relations among themselves) For instance; Qatar is having very close relations with Turkey while UAE and S.Arabia with Egypt. The influence of the regional powers over the Gulf countries through identity politics is based on Islamic and Arabic ideologies. (Bellamy, 2004, p. 14)

The cross-border extensions of these ideologies are blurring the borders and therefore prevent the Gulf States from making their way to become a security community (If it is left on the hands of Arabs in Gulf, but USA is the leading mechanism for them. That is why we have earlier mentioned that the GCC has been established under the guidance of the CENTCOM). As we have mentioned that the Gulf states as allocator states, are inadequate in terms of military technology and in need of more foreign troops in terms of defence due to demographic, social and political conditions precludes them from forming a security community in the full sense, like how Emanuel Adler defines security community doesn't match with the Gulf's. Likewise the verity that the Gulf states generally lean on the West, especially on the USA, namely the fact that they are even foreign-dependent in the case of security. Also the alienation of citizens to the state is preventing these countries from forming a security community. The leaders of the Gulf states are not aiming to protect and validate the state's regime but their own personal regimes and this prevents the emergence of behavioral patterns that must be seen in a security community. (Bellamy, 2004, p. 129)

The most important threats to regimes and the Gulf region's lifestyle come from the outside, from neighboring countries, from the Arab world, and due to human rights demands from the West. This is also because of the reason we just mentioned above that the regional/global impact overrides the impact at the GCC level. (Bellamy, 2004, p.25) Therefore they are not able to isolate themselves from the demands of westerns or threats that snicks through their regional neighbours, particularly from Iraq and Iran.

As for the reasons for the defence cooperation with the USA and the UK, first of all, the Gulf countries believed that there wasn't as effective ally for themselves on the international scene as the USA and Britain. Because USA and Britain at least at the level of discourse established a cooperation with the reasons of economic and strategic alliance and they have refrained from showing or exporting an ideological approach to the Gulf states. Secondly, the Gulf states have found it more acceptable to join the defence cooperation with the western countries, who come from far away rather than sharing the sovereignty with their neighbors. So much so, it could even be argued that the United States and other western countries are focusing their efforts on arms procurement for Gulf states in order to give full assistance. (Sadowski, 1993, p. 11)

Third and perhaps most crucially, the US and the UK have aimed to benefit from the weaknesses and conflicts of the countries (between them) in the region in order to sustain their presence in the region. For example, after the Second World War, USA geographers named the countries around the Persian Gulf and Pakistan as West Asia and left out other Arab countries. J. Foster Dulles, in his 1958 statement, noted that the unification of the oil supplier Arab states from the Near East region poses a great risk to Western European energy security. (Bellamy, 2004, p.135) By this way USA carried out its energy security and has held a strategic bridge link under control. Untill Kuwait's invasion by Iraq in 1990, Gulf countries either have not declared to public about defence relation with USA or show it an insignificant case. Gulf countries during 1980s and after it, they have declared to the World that westerns are non-aligned countries, they had indicated this in S.Arabia's website of ministery of foreign affairs (mofa, 2006)

Saudi Arabia also has rejected the strategic approach proposals brought by US officials in the early 1980s. But with the Gulf War, thinking that the domestic political environment has been appropriate, the Gulf states have begun to declare their military alliance relations with the USA. After that, Bahrain, Qatar, BAE, Oman and Kuwait, which signed defence agreements with Washington, have become military ally with the United States.

To sum up, in the context of internal-external security and defence in the Gulf countries, the interaction between sub-regional, regional and global platforms has enhanced to the top. For Gulf countries there are always obstacles due to their small

population, political confinements and barriers in front of cooperation, which is actually not impossible but it is harder to be self sufficient for themselves in the meaning of Self-defence. For this reason Gulf countries always has tried to use of one global power against to another regional power or vise versa for increasing the maneuver ability and has tried to act independent up to some extent, but always in the last minute they have wanted to see USA beside them against regional enemies like Iraq and Iran or internal rebellions. Although this shows that the Gulf countries moved forward for a peaceful culture among themselves (to be a security community), they show that the international and international level of competition is full of rival or even hostility, and that the rivalry and even hostile international culture is still effective in terms of the Gulf countries.

Gulf states have gone through recruiting foreign personnel in order to overcome the military personnel deficits. For example, the rate of foreigners in the army of BAE and Qatar is 28% as of 1990. During the Iran-Iraq War in Saudi Arabia, two brigades were deployed from the Pakistani army and were left in the country as part of the 10,000 Pakistani military coalition forces following the Gulf War. In the same period, it was reported that one third of the Kuwait army consisted of tribes who were not citizens of any country. Numerous western officers have served in armies of the Gulf countries while they were in training. For example, at the begining officers were completely foreign in the Omani Army which had been partially nationalized at the beginning of the 1990's. At this point, it is necessary to consider the effect of the rent / allocator state and the oil revenues, high income of oil ease country's military revocery. That is why there has been always a connection between security and oil which this study calls it as Energy - Security Nexus. As we have earlier indicated that foreign officers loyalty is always questionable. Moreover, this situation has further alienated the citizens of the Gulf states, especially in S.Arabia which is the most populous country in the Gulf region. Lastly with the new authority in S.Arabia, together with its aliances indicating that there will be two ongoing threats for them; one is Iran's Shitte rejime export policies and radical islamist movements²⁶ which

A top security official in the United Arab Emirates (UAE) has called on the Saudi-led coalition attacking Yemen since 2015 to bomb the Qatari media network Al Jazeera. "The alliance must bomb the machine of terrorism ... the channel of Daesh, al-Qaeda, and the al-Nusra front, Al Jazeera the terrorists," Dubai security chief Dhahi Khalfan tweeted. (http://www.presstv.com/Detail/2017/11/26/543541/UAE-Al-Jazeera-Qatar-Saudi-Arabia-Khalfan)

directly linked in the past also with the establishment of the Gulf Cooperation Council.

4.4. Building Gulf Cooperation Council and The Security Structure

Institutions have both restrictive and opportunistic influences for actors due to their information sources, determining decision rules, observing agreements and shaping common identities. In this section, we will try to examine how the GCC as an institution affects the aims, behaviors, collective identities and security structure of the Gulf countries.

Even though GCC is designed as a platform for cooperation on all aspects of security, economic, social and political at least at the level of discourse, it is seen that there is very little room for security issues in the writings about the organization between 1980-1990. They had no hesitation in reminding through their official statements in these six countries that they had about two-thirds of the world's proven oil reserves and about one-third of the oil production in free market economies, which is a position to be considered also. Gulf states have also explained that they were opposed to deploying western power in the region in order to appease their public opinion.

The most important reasons for this are the Iran-Iraq War, which caused tragedy on the Gulf states, and the occupation of Kuwait by Iraq at the end of ten years, in addition to the Iranian Revolution being a threat to the security of the small countries in the Gulf. (Aarts, 20, p. 912)

As we have mentioned earlier, four factors play a dominant role in the emergence of a peaceful culture, a collective identity, and the international structure (security community) of this culture: mutual dependency, common fate, homogeneity (effective in establishing common identity), and self-restraint. It is possible to say that all of these factors are effective in the establishment of the GCC totgether with the new identy which currently they call themselves 'Khaliji or Khalijuyyun' meaning: Gulfish, like Spanish or British. (Wendt, 1999, p. 22) Small countries in the Gulf need a state like Saudi Arabia to protect their sovereignty against strong neighbors like Iraq and Iran. Saudi Arabia, which was surrounded by the Arab world and other countries in the Middle East, did not want any of these countries to become

under the control of relatively strong countries in the region. Moreover, these countries were interdependent in terms of coordination of policies such as oil, internal and external security, economy and so on.

The structure of the geography they share, similar experiences in historical and cultural terms, being under the direct or indirect control of firstly Britain and then the US, the uniformity of the regimes, the perception of similar threats (Iran, Iraq, Arab nationalism, communism, internal threats to the dynasties, etc.), and the fact that all of the countries' economies are based on petroleum, have revealed both the common fate of these countries and the level of homogeneity. This situation strengthened 'us' perception in the Gulf countries. Therefore as we have mentioned they call themselves Gulfish, in arabic; Khaleeji/Khalijiyyun. The "region" is built and rebuilt by the human factor. Therefore, the concept of the region must be understood as a process and a social structuring. (Wendt, 1999, s. 54)

Actors may continue to follow of their self-interest-oriented identities in the first stages of the process leading to the cooperation, and may continue to behave in this direction. But in the ongoing process, the collective identity is fully built. Homogeneity affects collective culture formation in two ways. first, homogeneity reduces the severity of conflicts. Many wars arise from the fact that the internal institutions or values that are carried into foreign politics which contradict the politics of other states. Indeed, Huntington's clash of civilizations suggest that thesis heterogeneity is a source of conflict. With this, the differences of the states that are meant by it will not lead to any conflict between similar units or where they can not build peace. The aim is only to demonstrate that internal differences can lead to external conflicts. The second effect of homogeneity is that actors create an environment that allows them and let them to say 'Lets treat each other properly if there is no difference between us'

Homogenization, on the other hand, can also have an impact on preventing the formation of collective identity. In many aspects, actors who see themselves as a part of a homogeneous body may face disintegration because of some insignificant points. As a matter of fact, Arab countries, which are common in the ideology of language, religion and Arabism, have showed little effort to establish collective identity after obtaining their territorial sovereignty. Also, as Wendt says, the division of labor disappears between actors who are very similar to each other. This reduces

the mutual dependency between actors and the possibility of having common fate. (Wendt, 1999, p. 57)

One of the items that is important for forming a collective identity and security community is the self-limiting. It may not be good for the individual that is good for the group. To overcome this problem, an atmosphere of trust must be established that actors are expecting to meet. Some actors by limiting themselves, make it easier for others to take a step forward in the direction of forming a collective identity. For this, it is necessary for states to stay away from suspicious movements, for internal political rules to be appropriate, and for some states in the group to be in self-reliant initiatives in order to create a climate of trust, especially for the strong. (Wendt, 1999, p. 357-63) According to Wendt, internalization of norm is easier and faster if a norm has become a need or desire by imposing external conditions. If a norm contradicts wishes and necessities, then this norm will either never be accepted or will be internalized in a very slow process. (Wendt, 1999, p. 311)

The GCC is an institution that has emerged with the imposition of large extent of external conditions. For example: The perception of the most important threat posed by the establishment of the GCC was the "aggressive" foreign policy initiative of the new Iranian regime that replaced the Shah regime. The tension between Iran and Iraq has turned into a war, and the security problems in the Gulf have become even more prominent. The risk of expansion of the war forced Gulf states to establish a security cooperation to protect their territorial integrity and regime. In other words, the GCC has emerged mainly as a result of the interests determined by the ideas and identities in the Gulf countries.

As we have mentionedabove historical turning points occurring shortly before the GCC's establishment were three events that had taken place in 1979 – the attack on the Grand Mosque in Makkah, the Soviet invasion and occupation of Afghanistan (that led to the rise of Al-Qaeda), and the onset of the Iranian Revolution. The more recent ones comparing to these; the 1980-1988 Iran-Iraq war, Iraq's 1990 invasion and occupation of Kuwait, the September 11, 2001 attacks on the United States. Furthermore 2004 forecasts by some geologists and financial advisers claming that world oil reserves had either already peaked or would decrease soon, contributing,

along with the chaos and uncertainties associated with the U.S. invasions and occupations of Afghanistan and Iraq, to \$60 a barrel.(Martin, 2004, p.42)

But the one catalyst that most shaped the founding of the GCC and the need for the United States and other Great Power allies to reformulate their policies towards the GCC region was the overthrow of the government headed by the Shah of Iran in late December 1978. The Shah's replacement by a radical extremist regime marked a major turning point not only in the strategic calculus of Gulf defence but also with regard to the foundation upon which six of the Gulf's member-countries would place their international relations and further economic development. The entire Gulf region thereby entered an era that was at once more uncertain, yet laced with unprecedented possibilities, than any in recent memory.

In the immediate aftermath of the Iranian government's demise, the implications for regional defence and security were uppermost on everyone's minds. Of particular concern was that whereas Iran, along with Saudi Arabia, had served as the larger and more militarily powerful partner in a "twin pillar" strategy to enhance Gulf peace and stability, the situation soon became one in which the Iranian revolution threatened to spread to Iraq and the Arabian Peninsula.

The outbreak of armed hostilities between Iran-and Iraq 19 months later marked the beginning of one of the 20th century's longest wars, 1980-88, and further underscored the potential for greater regional turmoil. The onset of major armed conflict between these two countries, whose populations and armed forces were both larger than those of all six of the east Arabian countries combined and whose leaders vied with one another to have their country become the paramount power in the Gulf, represented an immediate challenge to regional order and prosperity.

The six Gulf countries that would eventually combine to form the GCC, together with representatives of fellow Arab countries Iraq, Jordan, Yemen, and others, met in Jordan in November, 1980, to ponder how best to respond to the most serious challenge to Gulf defence in modern times. The countries that would establish the GCC resisted the temptation to endorse a particular idea advanced by representatives of other Arab governments. They refused to enter then and there into any formally organised effort to deal with matters of regional defence cooperation as a means of

preventing the conflict from spreading to the Arab side of the Gulf. Instead, the Sultan of Oman, backed by the other five Arabian Peninsula monarchies, persuaded his colleagues to postpone any further deliberations about what their collective response might be until they met in Taif, Saudi Arabia, at an OIC summit scheduled for January 1981 (Khalid, 1996, p.12)

Upon the conclusion of the Taif Summit, the leaders of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE) agreed to remain behind and meet among themselves. The purpose was to conduct their own deliberations on how best to proceed cooperatively with a view to preventing the spread of any aspect of the Iran-Iraq war or the Iranian revolution to their countries.

The fact that Iraq, Jordan, and Yemen were not invited to be part of these discussions was interpreted by Baghdad, Amman, and Sana'a as a major geopolitical setback. (Six years later, these three countries, plus Egypt, would form their own sub-regional organisation called the Arab Cooperation Council (ACC). The ACC disbanded shortly after Iraq invaded Kuwait, when Egypt, together with the six GCC member-states plus five other Arab countries, sided with Kuwait but Jordan, Yemen, and six other Arab other nations did not) (Anthony, 2006, p. 6)

The main objective of the Gulf Co-operation Council, established by the leaders of the six Gulf countries on May 25, 1981 in Abu Dhabi, is to protect the stability of the internal and external security and regimes of the member countries. As we have already mentioned in section of Rentierist state; there are four basic ideas that can determine the emergence of the GCC, which include the following: The tribalism, conservative Islamism, monarchism and the rentierist / distributive state. (Bellamy, 2004, p.126)

Untill now in all the parts of the thesis, we have absolutely touched these four points. Especially the chracteristic of the rentierist Gulf via its distributive/allocator state position some how ouster of both internal and external threats.

Having accepted the principle of collective defense, the GCC has adopted the principle that any attack on any member of the security field will be an intervention by all member states. In the Charter of the GCC, many areas of cooperation are envisaged, ranging from the customs union to the settlement of border issues among

the member countries. (Al-Hamad, 1997) In this context, it should be noted that the GCC plays a constructive role in the peaceful resolution of the problems among member countries.

The organization has also succeeded in revoking customs, free movement and the right to work among member countries. There are also endeavouring to establish a single currency between the GCC countries. It was also successful in establishing joint military units to be formed with the participation of the member countries, and the establishment of a joint military unit consisting of 12 thousand troops under the leadership of Saudi Arabia was found. Furthermore the agreement to establish an Arab Central Bank that will be located in Saudi Arabia in May 2009 had been a successful step in this aspect. Although it was expected to switch to a single currency until 2011, it can be considered that this can only be realized in a very future with the reason of the crises experienced with Qatar. With all of this, the will of the GCC in the mid-term at the point of establishing the monetary union and the common central bank was an important commitment. In this context, it should be noted that the GCC has established a successful integration among member countries in the realm of economy also. (Orsam, 2009, p. 117-118)

However, except the current Yemen Case which is going to be assessed partially in this section, it can be said that the GCC failed to transform itself into a successful defense organization in the scope of security cooperation, which was actually the main purpose of the establishment. The most important threat perception that played a role in the establishment of the GCC was the "aggressive" foreign policy initiative of the new Iranian regime that replaced the overthew Shah regime. The security problem in 22 September of 1980 in the Gulf, when tension between Iran and Iraq turned into war, was even more prominent. The war enforced a security cooperation between the Gulf states seeking to protect their territorial integrity and regime due to the risk of threats expanding into the Gulf countries. (Orsam, 2009, p. 120) As we can see, economic integration commitment, such as common currency and Arabian Central Bank, didnt pan out the way it was expected whereas they achieved success in security cooperation, even though this subject is controversial nowdays due to Qatar-GCC crisis.

Moreover, the USA, after the Iranian revolution and losing its privileges like oil and military bases in Iran, steped to increase its military presence in the Gulf to secure its

access to vital energy resources, due to Iran's threat towards American interests in the region after Soviet occupation in Afghanistan. (Haghighi, 2007) In January 1980, President Carter announced that an external intervention to the Gulf region would be considered as an attack on the American vital interests, and that it would immediately be responded militarily. Indeed, with the Rapid Reaction Force established by the Carter administration in 1980, the United States has undertaken the task of maintaining an important military presence in the Gulf and protecting the internal and external national security of the Gulf countries directly. (Levins, 2013, p. 404)

Brzezinski, President of Carter's National Security Adviser, explained that the primary responsibility of the Rapid Reaction Force is to protect the interests of the United States in the Persian Gulf. (Jeo Stork, 1980, p. 3) Indeed, following the start of the Iran-Iraq War, the six Gulf-GCC countries met on May 25, 1981 in Abu Dhabi to establish the first collective security system in the Gulf of Basra. As stated above, the Gulf Cooperation Council, which was announced to be established for the purpose of increasing economic, social and cultural cooperation between the Gulf states, aims at providing energy security for win-win purposes (protecting reserve fields and ensuring the security of oil export) (Christophe, 1990, p. 12) The real developments in the security of the Gulf countries have emerged since the second half of 1982, when Iran provided the military superiority over Iraq and seized the possibility of occupation of Iraqi territory. In response to this development, which directly destabilized the stability of the Gulf countries, Reagan administration stepped into a new military organization in January 1983. The Emergency Response Unified Task Force was directly connected to the US Central Command known as CENTCOM²⁷. (Centcom, 2011)

The Pentagon has also established five light infantry attack units well-equipped for mobility and firepower, directly connected to CENTCOM for using it in the Gulf of Basra. In addition, agreements have been made with the countries in the region to facilitate bases and ports. It is stated in official website of CENTCOM that its main purpose is to eliminate the threats might rise in the future by any state or non-state actors.²⁸ In this context, CENTCOM basically has three perceived threats, If it is

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²⁷ For more information please see; http://www.centcom.mil/

²⁸ http://www.centcom.mil/index.php?lang=en, e.t.10.07.2007

needed to draw attention to the relationship between CENTCOM and GCC. Two of these are the direct external threats to the Gulf states, while the third one is the internal threats. As an external threats Soviet Union and Iran, for example, were avoided by CENTCOM, since they had the ability to mobilize the masses in the name of protection Shiites in Bahrain and S.Arabia, where the rich oil reserves available, together with protection of Gulf countries' terriorial integrity

Finally, CENTCOM has been tasked with preventing the threat posed by radical regime changes, such as those in Iran, that might occur in allied countries. (Joewilson, 1989, p.81) CENTCOM, established with the aim of moving faster and faster with less cost in order to barricade on these three threat perceptions, should work in cooperation with the Gulf countries and logistics, intelligence etc. procured by these countries. On the one hand, joint military, intelligence and logistical assistance was provided to increase the military capacities of countries such as Saudi Arabia and Oman in order to prevent possible regime changes while ensuring that the GCC members play a role in direct internal security with the United States.

On the one hand, military capacities of countries like Saudi Arabia and Oman have been increased in order to prevent possible regime changes, on the other, joint military, intelligence and logistical assistance has been made to ensure that the members of the GCC take part in direct internal security cooperation with the United States. (Hunter, 2010, p. 93-94) During this period, the American administration tried to develop the collective defense capacities of the members of the GCC.

However, the GCC has not demonstrated an adequate performance in resolving conflicts between its members or the relevant countries. There are two reasons for this. First, as there are disagreements between Qatar and Bahrain in recent history or currently S.Arabia, BAE and Bahrain, members of the GCC are in close contact with both sides of the conflicting parties and this prevents them from taking sides in favor of one side and against the other. Second, as it has seen in the Iran-Iraq conflict, the GCC does not have any military or political mechanism or as we have mentioned in our hypotheses, a decree, to impose a solution on the parties. This situation is also due to weight of western activities as being powers in the region. Nevertheless, as seen in the Kuwait occupation, the activities of the United States in the region have provided the security of the countries in the GCC to some extent, but they couldn't developed their capabilities in conflict resolutions. Infact, after the Iran-Iraq war,

Iraq attacked Kuwait with in the large quantities arms that had given by the USA previously to fight against Iran, all of which actually in the end left Gulf to call USA as a guardian²⁹ of the region. (Foreignpolicy, 2013)

This, as Yusuf Ahmet has stated, shows that despite the vast amount purchases of weapons, the construction of military facilities and military training expenditures, oil capital is not sufficient for solving the security problems of the Gulf countries. After the increase in oil revenues, western countries have forced the Gulf countries to buy large amounts of weapons at high prices, which have led to a rivalry and the security dilemma in the region, which has deepened. All this suggests that the Gulf countries have to face a number of different problems from the point of view of internal and external security after having oil capital. The most important proof of this is the security and defense agreements that the USA and other western countries made separately with each of the GCC countries in the 1980s and 1990s. 399

As a result, the GCC was established as a consequence of the perception of threats stemming from security problems in the Gulf region in the early 1980s, and the American administration was directly involved in the establishment stage and later processes. The GCC has not yet been able to eliminate threat perceptions at the foundation stage whereas it has more or less created detterence against regional Powers or internal threats. (Abdulahkim, 1991, p.34) In the past, members of the GCC did not publicly describe Iran or other forces as an open threats for them, even though currently there are intense debates on threat perceptions and measures at the GCC meetings, the last Yemen case is the exception. Although there is no explanation after the GCC Council, which is convened twice a year, the Iranian problem and its impact on the region are an important agenda item. There are two major threats to the GCC membership in the region as a result of Iran's interraptions. The first is the Shiite minorities and the second is the influence of radical religious groups. (Russell, 2009, p. 62-65) In this figure, only the Saudi Arabia, BAE and Bahrain are opposition group against the Turkish, Iranian and Qatar equation. Not because this countries support the radical religious groups, but due to their complex stance at Yemen and Muslim Brotherhood. Whereas USA's claims untill now has

²⁹ From an official announcement delivered by Assistant Secretary of State Richard W. Murphy, in Michael A. Palmer, Guardians of the Gulf: A History of America's Expanding Role in the Persian Gulf (Palmer, 1992, p.123); for background see also pp. 128–49

been about unity of Gulf Cooperation Council such as, Tillerson's calls for resolving the rifts in GCC. In 5th of june 2017 he has said that 'we encourage parties to sit together and talk about their differences. The Gulf Cooperation Council should not break up due to Qatar crisis' (Karar, 2017) Because their main axis is the USA and the West. As a matter of fact, we can see this in detail in Gulf-USA relations section which we have already talked about Trump-Gulf relations previously.

4.4.1. GCC Examination in Yemen

Although the Gulf Co-operation Council seems to be in the notion of 'one for all, all for one,' the recent Yemen operation, which still has been taking place currently, is an examination for this unity. Because as we are going to exhibit in this part of the study whether the GCC only itself is a security community or dependent and cant act that isn't in parallel with USA. In addition to that, we would like to touch up on this recent incident; the Yemen, as a case study in this section in order to see whether the unity is forming Energy – Security nexus for sub-regional security structure as a security community with its sources in terms of poltical economy, rentierism and dependency or not, indeed this is going to be also an instance study for the purpose of the dissertation.

We will talk a little bit about what happened after 2011 in Yemen in short. After that, explaning how GCC has involved in Yemen and its experiences together with internal and external dynamics about which we will end up with a futuristic approach to this phenomena. Therefore first will focus shortly on the background of the operation of Saudi-led coalition in Yemen.

In recent years, Yemen has witnessed violent conflicts due to unequal representation in the administration, and unlike the Gulf countries, inequities in access to resources since there are different types of fractions (Pro-iranian Houthis, pro-Gulf Houthis, Sunni and Shitte tribes etc.) in the country requesting different respresentation rather than a powerful dynastical monarchy ruling system in the Gulf where the country can act like a rentierist state to overcome internal insurgencies. Therefore rentierist characteristic of a country if natural resources available, can form the part of internal security structure.

One of the most influencial fractions in Yemen is the Husians, who belong to the Zeyyidiye subsection of Shiite sect, are also members of a rebellious group, known

as Ansar Allaah. Zeyyids are composing one-third of the population. The group ruled the northern part of the country for almost 1000 years until 1962. (Brehony, 2015, p. 232) Ansar Allah known mostly as the Houthis, a Zaidi group with its origins located in close to Sa'dah Governorateon at the northern of S.Arabia, where low level riots began against the government of Yemen in 2004 (BBC News, 2004) The intensity of the conflict occurred and lowered during 2000s, together with some peace deals that later was being disregareded. (Seattletimes, 2007) The Houthi insurgency upraised mostly in 2009, briefly drawing in neighbouring Saudi Arabia on the side of the Yemeni government, but quieted the following year after a ceasefire was signed. (Aljazeera, 2010) At the beginning of the Yemeni Relovetion in 2011, Abdulmalik Al-Houthi called for the support to those who are against president of that day Ali Abdullah Saleh. (CNN, 2011)

Later in the year, as Saleh prepared to leave office, the Houthis laid siege to the Sunni-majority village of Dammaj in northern Yemen, a step toward attaining virtual autonomy for Sa'dah. The Houthis boycotted a single-candidate election in early 2012 meant to give Abdrabbuh Mansur Hadi a two-year term of office. (Bloomberg, 2012) They participated in a National Dialogue Conference, but withheld support from a final accord in early 2014 that extended Hadi's mandate in office for another year. Meanwhile, the conflict between the Houthis and Sunni tribes in northern Yemen spread to other governorates, including the Sana'a Governorate by mid-2014. (Yementimes, 2015) After several weeks of street protests against the Hadi administration, which made cuts to fuel subsidies that were unpopular with the group, the Houthis came to blows with Yemen Army forces under the command of General Ali Mohsen al-Ahmar. In a battle that lasted only a few days, Houthi fighters seized control of Sana'a, the Yemeni capital, in September 2014. (Middleeasteye, 2014) The Houthis forced Hadi to negotiate an agreement to end the violence, in which the government resigned and the Houthis gained an unprecedented level of influence over state institutions and politics. (Reuters, 2014) In January 2015, unhappy with a proposal to split the country into six federal regions, Houthi fighters seized the presidential compound in Sana'a. The power play prompted the resignation of President Abdrabbuh Mansur Hadi and his ministers. The Houthi political leadership then announced the dissolution of parliament and the formation of a Revolutionary Committee to govern the country on 6 February 2015. (Economist, 2015)

On 21 February, one month after Houthi militants confined Hadi to his residence in Sana'a, he slipped out of the capital and traveled to Aden. In a televised address from his hometown, he declared that the Houthi takeover was illegitimate and indicated he remained the constitutional president of Yemen. His predecessor as president, Ali Abdullah Saleh—who had been widely suspected of aiding the Houthis during their takeover of Sana'a the previous year—publicly denounced Hadi and called on him to go into exile. (Aljezeera, 2015)

On 21 March, after taking over Sana'a and the Yemeni government, the Houthiled Supreme Revolutionary Committee declared a general mobilization to overthrow Hadi and further their control by driving into southern provinces. (Yemenobserver, 2015) The Houthi offensive, allied with military forces loyal to Saleh, began on the next day with fighting in Lahj governorate. By 25 March, Lahij fell to the Houthis and they reached the outskirts of Aden, the seat of power for Hadi's government; Hadi fled the country the same day. Concurrently, a coalition led by Saudi Arabia launched military operations by using airstrikes to restore the former Yemeni government and the United States provided intelligence and logistical support for the campaign.

In response to rumours that Saudi Arabia could intervene in Yemen, Houthi commander Ali al-Shami boasted on 24 March that his forces would invade the larger kingdom and not stop at Mecca, but rather Riyadh. (Wsj, 2015) The following evening, Saudi Arabia began a military intervention alongside eight other Arab states and with the logistical support of the United States against the Houthis, bombing positions throughout Sana'a. When we analyze the allegation and external support of the coalition we found that the Yemeni government, meanwhile, has enjoyed significant international backing from the United States and Persian Gulf monarchies. U.S. drone strikes were conducted regularly in Yemen during Hadi's presidency in Sana'a, usually targeting Al Qaeda in the Arabian Peninsula. (Washingtontimes, 2013)The United States was also a major supplier of weapons to the Yemeni government, although according to the Pentagon, hundreds of millions of dollars' worth of that material has gone missing since it was delivered. (Washingtonpost, 2015) Saudi Arabia provided financial aid to Yemen until late

2014, when it suspended it amid the Houthis' takeover of Sana'a and increasing influence over the Yemeni government. (Reuters, 2014) According to Amnesty International, the United Kingdom also supplied weaponry used by Saudi-led coalition to strike targets in Yemen.

This is absolutely because of the vitality of the S.Arabia's political and economical stability in the region. In terms of political economy of the region the stability of Yemen is crucial. Because, Yemen is a country in where extremists and Iranian intelligence play crucial role and due to being a neighbour to one of the most important oil exporter S.Arabia and being alongside the sea routes in the Gulf which render Yemen very essential for USA and Gulf Arabian allies. (Abdullah, 2017) Also USA is fighting with Al Qaeda in the country through aid of Hadi government. Saudi Arabia, a Sunni power, claims that the Shiite power of Iran supports Iran's Houthis, but both Iran and Houthis reject it. In addition to these from the perspective of political economy manner, the increase in oil production and prices, and therefore in oil revenues, has been the most significant effect in the region of the Middle East, deepening the distinction between producer countries and others like Yemen, that is, economic separation has deepened political dissent in the country. In this manner we can say that threat that occours in S.Arabia's neigbour is because of GCC's disregarding Yemen's internal dynamics and having not taken precautions towards Yemen by not financing the stability of Hadi's government on time. According to the Arab writers who has been influenced from Yusuf Ahmet, oil capital caused the developmental levels of regional countries to differ. Social and political differentiation between the relatively wealthy and less developed countries of the Arab world has emerged and this has led the investors of the Gulf states to act like a selfish kid and not to invest in underdeveloped Arab countries at least the one just next to GCC, whereas investing easy markets of the westerns for easy incomes. (Abdu'l-Fediyl, 1979) According to another opinion, the lack of economic relations and investment among Arab countries was due to the absence of the democracy and democratic institutions. That is why, by not taking precautions, GCC inevitably obliged to face Houthis threat on frontier of north S.Arabia.

Abdulmelik al Husi, leader of the Houthis, who gained courage with victories in the north of the country, demanded in the middle of August that President Hadi should remove the payments that harms the poor people in the country and elect the government that better represents the various fractions of Yemen instead of the "corrupt" one. Thousands of Houthi supporters - Sunnis and Shiites - have begun to sit in front of the government buildings in Sanaa and shut down the main road to the city airport. In September, President Hadi was willing to disband the government and reduce oil prices by 30 percent. But this initiative was rejected due to insufficient of the decrease. Thus, the riot carry on untill now due to conflicts between ideologies and identities. In that sense not only the Gulf countries couldnt institutionalization and democratization support in a country just beside them, but also the global power USA couldnt too which enabled them to use hard power. Yemen's existing Hadi government requested Center (USA and Britain) and Periphery Centered States (GCC) to intervene the country. But usual statement was that the purpose of the operation (Operation Decisive Storm) is to protect the existing government of Hadi, not because they adore him of course, but, strategic common term agreements is the reason. Countries that have supported the operation in the leadership of Saudi Arabia are Qatar, Bahrain, United Arab Emirates, Kuwait, Sudan, Morocco, Pakistan, Egypt and Jordan. In a joint statement, the nations of the Gulf Cooperation Council (with the exception of Oman) said that they decided to intervene against the Houthis in Yemen at the request of Hadi's government. (Aljazeera, 2015) King Salman of Saudi Arabia declared the Royal Saudi Air Force to be in full control of Yemeni airspace within hours of the operation beginning. (Alarabiaenglish, 2015) The airstrikes were aimed at hindering the Houthis' advance toward Hadi's stronghold in southern Yemen. (Theguardian, 2015) Moreover, Saudi Arabia requested that Pakistan commit forces as well, but Pakistan's parliament officially voted to remain neutral. However, Pakistan agreed to provide support in line with a United Nations Security Council resolution, dispatching warships to enforce an arms embargo against the Houthis.(Al-Arabia, 2015)

The bombing campaign was officially declared over on 21 April, with Saudi officials saying they would begin Operation Restoring Hope as a combination of political, diplomatic, and military efforts to end the war. Even still, airstrikes continued against Houthi targets, and fighting in Aden and Ad Dali' went on. According to the UN and other sources, from March 2015 to November 2017, 8,670–10,000 people have been killed in Yemen, including more than 5,200 civilians. (Cfr, 2017)

While the coalition forces under the leadership of Saudi Arabia continued military operations against Yemen, the Yemeni army from the Ansarullah Movement under the leadership of Abdulmelik al-Husi and Ali Abdullah Saleh succeeded in maintaining dominance in Yemen. The Houthis movement is over two years old, make ballistic missile attacks on the areas within the borders of Saudi Arabia, causing heavy losses to the army of the Saudi Arabia. Even in the past two months, the Houthis have fired two separate cross-border missiles, but were destroyed in Saudi air defense systems. In April 2016, about 450 coalition troops lost their lives in this war, and so far this number has increased much more. (Ydh, 2016) But the number of deaths of Saudi soldiers rose to 198 and to 87 from the UAE side in 4 December 2017 (Cnn, 2017) (Aljazeera, 2017)

It has been frequently observed that coalition forces under the leadership of Saudi Arabia, as well as mercenaries belonging to the US-based Blackwater security company, are hired for the conflicts by the coalition. It is known that Blackwater has been involved in many war crimes in Iraq before. The occupying coalition is crowded. A large portion of Blackwater's mercenaries are US nationals, and many European, Latin American and even Israeli soldiers are included. Also, over the past year, the deployment of a 800-member military unit of Colombian nationality to Aden has been on the agenda for a long time on the media. Apart from this, although GCC and Western countries are against extremist Islamic groups, they have not hesitated to use ISIS and Al-Qaeda against Houthis. (Kose, 2017)

It is said that Saudi Arabia's daily minimum spending in Yemen is about 200 million dollars. (Dw, 2016) When we look at this point, we see that how the GCC wants to create a shield for themselves with oil incomes. When we look through the window of the Gulf Cooperation Council, the majority of the union supports this initiative, except for Oman. Although the Oman sultanate did not specify any negative opinions about the matter, he preferred to remain neutral. (Al-arabia, 2017) While the Qatar-GCC dispute that has flamed on June 5, the Union has exsert Qatar of the coalition. (already, the minimum support was given by Qatar) Even if we consider western-backed GCC succeeded as being security community, it does not seem realistic that they will reach the goal that they are trying to reach and it can be considered that the death penalty will increase in the coming years.

Prediction of this work is that although Iran has refused to support Houthis explicitly in a physical sense, it alrealy knows that for years what it has done so far in Iraq and Syria especially with one of its most popular General called Kasım Suleymani. In this context, our point of view is that the resistance of Iran-backed Houthis will continue to be just like the Shi'ites in in Iraq and Syria. In Iraq they have succeded whereas in Syria still they are trying and it will not end untill notibly Iran and Russia will let. (Al-Rasheed, 2015) This resistance seems politically accepted in Iraq and Syria, although now it is time for Yemen to be included by Iran. As of December 2017, the overthrown leader Ali Abdullah Saleh's supporters (these two groups acted together at first) begun to clash with the Houthis. Concerning this subject; General Ali Muhsin Salih has made a statement about the conflicts between the forces of former President Ali Abdullah Saleh and the Houthis in the capital Sana'a, according to the news in SABA, the official news agency in Yemen to where Ali Muhsin Salih gave speech, saying that in all sections of the society has a growing perception and conscientious awakening against Houhtis ". (Saba, 2017) Also, in a televised speech on Saturday in December of 2017, Saleh formally broke ties with the Houthis, saying that 'he was open to a dialogue with the Saudi-led coalition. Additing that; Yemeni citizens have tried to tolerate the recklessness of the Houthis over the last two and half years but cannot anymore' (Al-yamen –Al savra, 2017)

On the other hand, the worst scenario for Saudi Arabia is that transforming the war to a prolonged military engagement and that the Yemen civil war will turn to a impasse struggle, like in Syria since 2011, with the support of certain regional and international actors. This, of course, will exhaust Saudi resources and undermine the goals of war in domestic politics. These goals include reiterating the power of King Selman bin Abdulaziz al-Saud, demonstrating military power, alleviating Islamists with jihadists and reinforcing a militarized religious nationalism. He started doing this by taking the USA and Israel beside him as much as possible. We can confirm this also with the head of US Central Intelligence Agency (CIA) president Mike Pompeo. He said in 4th December of 2017, that; 'Saudi Arabia, Israel and some Gulf states are working together on fighting terrorism. This cooperation will make the Gulf region and the Middle East safer'. (Jerusalempost, 2017)

Especially, applying moderate Islamic policies and strengthening the Central Authority, particularly by taking the Kabe imams and the Ulema into their service,

the Saudi Arabia wanted to turn the negative consequences of the Yemen war into its own advantage. Nevertheless, the prolongation of the war and the increase of Saudi losses could harm the Saudi administration and trigger internal opposition. Also the internal forces that support the war, for example the Islamists, could bear patience. These groups may change side and turn to an defiance politics, who are going to seek rewards for pro-war acts and for the support they have given to Selman. Thefore supporting the Kingdom may be under the pressure of rewarding through some concessions.

In the Al-Qaeda and the ISIS, they can reinforce their strength in areas where they are allowed by coalition, to struggle with Houthis. As Beril Dedeoğlu said; Probably the Saudis also should have thought of the measures about the support that have been given to them, which later on might return like a Boomerang (Goerzing, 2010, p.4), and that idea probably has been given by the Americans rather than their own statemen. If the war continues in this way, it will be accepted that long-lasting formalization of Yemen's actual de facto division as in Syria. Let's not forget that, until 2011, the devolved president Ali Saleh was a loyal Saudi ally for almost three decades, and then he started to support the Houthis by changing sides. Therefore, as long as the war continues, it is understood that the Yemeni conflict can't be solved by usuing hard power via Saudi-led coalition, unless finding a directable person like Ali Abdullah Saleh who might be the mediator in the society. As we mentioned above, there is a gun-battle between the forces of the former President Ali Abdullah Saleh and the Houthis in the capital Sana'a. At the same time, a statement to confirm this idea can be seen in the news published by Aljazeera for yemen;

"Speaking on condition of anonymity because he was not authorised to talk to the media, the official said: "Mohammed Bin Salman has been influenced by the UAE and thinks switching from [Yemeni President Abd-Rabbu Mansour] Hadi to Saleh, Ahmet (saleh's son) or former president Kahled Bahah will help end the war." (Aljazeera, 2017)

A former Yemeni ambassador Mohammed Qubaty said that "Saleh has been playing the Houthis for years ... He did this when the Salafists started growing in power in the north. Initially he backed them, then he switched and supported the Houthis. Then he betrayed the Houthis. This is what he does" At the moment, while I am writing these informations, they have passed the headline "Former President Ali A. Saleh kiddled by its fighters in shooting attack on his car" on the Aljazeera Arabic

channel at 15:00 on 04.12.2017. The dramatic result that Saleh has suffered as a result of his continuous purging is at the same time a threat from Houthis towards GCC. At this stage, the GCC's attempts obviously will be to unite Ahmed's and Hadi's military forces that will further exacerbate the next Iranian motivation. Because, after Ali Saleh's death, signals has been given about Iranian intends to blockade S.Arabia by Hussain Albukhaiti, who has close ties to the Iranian-backed Houthis, saying that; Yemen's Houthis rebels have gained control of the majority of the country's capital from former President Ali Abdullah Saleh's forces and Houthis those are being politically supported by Iran. And it is keeping tabs on Yemen, watching like a hawk (Aljazeera, 2017)

As a result, the economic development of the GCC in the context of the political economy, its ability to influence international economy politics, its close relationship with the western arm industry, its high oil revenues being invested in western financial institutions, and conducting it with assistance of western guiders and its rentier state characteristics (which make GCC more dependent and obeyer since west could put on the investments a pledge), indicates that it uses oil sources as a security shield for its own security structure. At this point, in a micro sense, we can not say exactly that the GCC has failed a test in Yemen, where as it hasn't gained any victory yet as well. The only thing that can be said is that this war will resemble the war in Syria which became chronical year after year. More importantly, the possibility of reconciliation between parties is a big chance for Saudi-led coalition about which it must use it in Yemen for serious development program policies that they hadn't done it sufficiently in the past. In recent history since the cooperation has founded, the only thing they know is to dedect any superficial internal and external threats. They are so unexperienced in terms of projecting the problems of up coming decades. For example; they didn't use their sources and high oil revenues to develop their surrounding neigbours seriously. What they did is that, hiring vast quantity of expats from other Middle East countries, so that they could earn and return their countries back to invest with the experience and capital they gained. But this is very shallow economic and social solution for others that applied by GCC states. When they act shallow, so they gain very shallow results and feedbacks from other states whose social fractions always ready to be manipulated by other regional and global powers. In this term GCC is absolutely has failed by not in coopting and recruiting Yemen

when first it had applied in 1980s. And later again in 2007. I would like to close this subject by a citation of Karl Deutsch, who is a founder of concept called Security Community, will be meaningful to answer the question marks in minds and the aim of security structure of Gulf Region. In short, he claimed that "those states that dwell in a security community had created not simply a stable order but, in fact, a stable peace. Security is becoming a condition and quality of these communities; who is inside, and who is outside, matters most." (Adler, 1998)

5. CONCLUSION

This thesis aimed to explain from the theoretical perspective of political economy, rentierism and dependency that oil capital is used as a shield instrument in international relations and internal politics against threats in order to sustain the regime existency in the Gulf. Confirmations and the proofs that oil capital is as strong as policy in the Gulf, demonstrated by quantitative reports, answer first two questions of the thesis; 'Will the oil be still or will it last soon? and How does oil can create a shield for internal and external threats?'

As a norm source at regional level; Arab nationalism, 'radical' Islamism, Shiite-Wahhabi disintegration, at the global level; how national and territorial norms of sovereignty, such as hostility toward Communism or Iran's regime exportation, shape the international relations of the Gulf states interaction with real political and economic interests, and how the Gulf states are trying to shape these intellectual elements in accordance with their foreign policy objectives. GCC tried to show the points on which they were successfull and unsuccessfull (for instance; acting as a security community in Yemen, or Saddam's invasion of Kuwait in 1990 when so called security community that couldn't constitute any deterrence) and to show the influence of oil income through their desicions taken in respect to Westers Powers particularly USA. For instance founding of Gulf Cooperation Council in 1981 (advised by CENTCOM) or blockade recently applied on Qatar even though it is a member state of the GCC. Here the important phenomena was meeting common interest that was in parallel with USA. Because, the more we focus on the relation between USA and GCC, the better we realize that they bound together particularly after Oil Ambargo due to Arab-Israel Wars which is the only exceptional rigid action taken against Western powers by monarchies under the leadership of Colonel Abdulnasr.

The study has clearly noticed that oil is an important factor protecting them against internal and external threats based on the establishment of the regional security shield via agreements between Gulf states and particularly USA in terms of economy

and military defence. Starting from the beginning of the 1900s, oil has played a crucial and decisive role in determining the Gulf policy together with its territorial borders and independence. As a matter of fact, since independence of the Gulf, the only remarkable experience they have gained in is the natural resources, rather than in all other disordered infrastructures, particularly education, technology and industry.

The study have demonstrated that they are weak and lack of respectively; population, proper military force, geographical size, specialization, history and conventional politics. Whereas they have been highly subsidized in terms of tax, very highly-paid jobs and oil incomes together with other advantages of being gulf citizens. This also generally have been interiorized by Gulf citizens, especially during this century, which also renders Gulf states more foreign-dependent in the context of particularly defence but also economy. For example, in the Gulf, advanced weapons are bought on the condition of long-term agreements. Second of all, the maintenance and servicing of these weapons depend on the exporter of it. All in all, in foreign policies of Gulf countries, their addiction to these weapon exporter countries like USA, France and Britain, has enhanced. The political decisions that have taken in Assembly Council (Mejlis-Al-Shura) of the Gulf States to spent high percentage of National Budget for defence technologies, purchasing these only from western corporations and investing high volume of oil incomes in western firms, stock markets etc. approves the hypothesis of the study that high valued natural resource of the Gulf renders policy and economy relations more vital level in the region which also answers the thesis's third question; 'Why didn't Gulf states go through the bad experiences that other Middle Eastern had gone?' Therefore combination of, for instance, high worthed weapon agreements together with military bases of western in the region is an economic strength stem from high oil revenues whereas lack of experience and expertized citizens due to less population and taxfree system spark the characteristic of these rentierist states. It is not that government is reluctant to be rentier but it is the necessity for interal security system that they are willing to apply. Because being allocator and distributer of some amount of national resource income to less populated and taxfreed country is easier, and it is the formula for blocking freedom of speech which is a direct threat for the regimes in Gulf. Hence, 'distribute money and don't collect tax' (Beblawi, 1990, p.389) which is

equal to legitimized monarchy, is what really Gulf state like. This is why the thesis asserted that, security structure of GCC countries and their state characteristics will not change due to political economy and rentierism.

We have tried also to show in the study that the geography of the Gulf is setting the stage for the competition and struggle of the great powers due to the energy resources it has today. In this context, it has been seen in the study that the oil resources of the Gulf countries have an influence beyond what is known both in the regional conflicts and in the global power struggles. The basic purpose behind the psychological operession that has started with World War I and continued with American hegemony has been indicated/demonstrated as a 'Strategic Partnership' especially in western academic or nonacademic writings, which was actually establishing a full dependent and nonsovereign region that creates their 'Periphery Center' structure. For example, during World War I Britain had offered these states profitable partnership on be half of securing the trade routes of India and Far East and of course refusing the super power of 18th century wouldn't be the rationale decision for Gulf tribes, which brought them to the points of exchanging and comprimizing the mutual requests.

This attempt was actually has come rigidly out during American Hegemony since they claimed that whole world needs to practice liberal economic policies whereas, Gulf countries they have only tried to do so, since they have recognized liberalism in their country as a threat to regimes. But of course these doesn't mean that they were against American foreign economy policies. Because, even though every strategic cooperation somehow is the subsidiary of state, rather than foreign capital, they only give some tenders to foreign corporates whose origin is western.

On the other hand it is very hard to implement successful liberal economy plannings or economic reforms in Gulf due to pressure from society. For example in 2001 – and actually this is also an example to oil that creates a shield for monarchy by hydrocarbon revenues that establish taxfree economy – the Saudi government were keen to transfer and make PPP (Public Private Partnership) with corporates for electricity services and implement a very less amount of tax on people, plus, decrease government subsidies. But this was rigidly refused by public and upraise occurred which caused government to withdraw the implementation, which on the contrary has forced government to increase the subsidies. (Ahmed Onour I, 2012, p. 13)

The thesis also have found and revealed that the great powers of the time, their aim was to either direct the trade route (as we have mentioned above) or control the oil reserves of the region in a manner of their interests, to gain a greater share of the petroleum trade and to sustain their strenght in global sense. Therefore they have primarily focused on establishing military, political and economic control in the Gulf , where they then have succeeded in establishing dominance in this region due to threats, such as, from spread of Iranian revolution and internal islamist movement around the region. Therfore USA's perspective the oil control was too valuable to leave in hands of these Arabs while there were other regional and global players which lead USA to establish strategic military bases.

Lastly the study demonstrates that notwithstanding nationalization of oil companies in the Gulf, western countries and their oil firms hadn't left the control of region in hands of Arabs. This is because petroleum refineries and distribution networks are the more profitable part of the main business. The powers controlling oil resources are using the oil today as they have in the past to sustain their political, economic and national security interests. Therefore the thesis defining the Gulf countries not exactly periphery (from the perspective of dependency theory) but 'Periphery-Center' who provide service to Center countries, as Galtung indicated, previously we have mentioned, that there is a disharmony of interest between the 'Periphery-Centre' country and the 'Periphery-Periphery' country (Galtung, 1971, p. 83-84). For instance, UAE or S.Arabia's interest directly conflict with current Iraq and Syrian regimes that has been revealed in this study. And he claims that, the agreement of interest between the two centres emerged as a result of the exploitation of periphery country, the centre of the centre country holds the most part of this income and together 'Center-Center' and 'Periphery-Center' exploite the Peripheries. Therefore being together with Center (USA), Gulf countries (Periphery-Center), particularly S.Arabia, UAE and Bahrain, accomplish one of the their security structures.

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CIRRICULUM VITAE

Military: Completed (11.03.2015)

Experience

Yıldız Technical University, Graduate; GPA: 3,21

International Relations

Middle East Technical University, Undergraduate, 2011 GPA: 3.00

Political Science and Public Management

High School - The Oxfor School Dubai - A Level, High School, 2004 GPA: 3A,3B,2C UAE

Work Experience

T.C Ziraat Participation Bank - Project Officer - Continue

March 2017, Working (11 Month) İstanbul, Turkey

It has been a month and half that I have been appointed to this department (of the same bank) due to the my particularly arabic and english language skills.

Currently we are analyzing the feasibility of the projects however, me myself I have been appointed to represent especially our bank as a Security Agent for the Manisa Education & Research Hospital PPP Project of the Ministry of Health's City Hospitals. This project consisting of IDB, ICD, CITI UK (as a intercreditor agent) and YKB (All of these Senior Financiers)

T.C Ziraat Participation Bank /November 2015, Working (2 Year, 3 Month)

Corporate Loan Evaluation Specialist

İstanbul, Turkey

Credit allocation (between 3 - 250 million USD for corporate firms) and preparing presentation for the board of directors of the Bank, that take place every two weeks for Parties' loan requests.

I evaluate the credibility and the morality of the firms based on vital datas and variables such as auditing the Financial Statement and analyzing the risks of sectors such as Petrochemical, Real Estate, Textile etc. according to financial ratios of the Turkish Market and Referring to The Central Bank of Turkey. Further more there are 10 branches granted up on me to be met their needs in terms of other services.

Gulf Turk Trust April 2015, October 2015 (6 Month) Financial Affairs Specialist Istanbul, Turkey

The company has attempted to be established based in Bahrain as Wealth Management company called "Gulf Turk Trust" in order to collect funds from Gulf countries to invest in the segments of Real Estate, Energy, Stock Market and Startups.

The company G.T.T was under construction and I had been offered by the chief executive of the company in Istanbul to financially analyze, projecting the investments, managing the portfolios of the investors in coming future, as a Credit&Financial Analyst Manager. The particular reason urge me to accept the offer was upper title and better financial benefits. On the other hand, due to withdraw one of the leading investors from the project has caused to shift me to my current work.

Kuveyt Türk Participation Bank September 2011, June 2015 (3 Year, 9 Month) Financial Affairs Specialist İstanbul, Turkey

I myself came off best experience in credit management, creative and innovative techniques for performing assignments of auditing the Financial Statement and analyzing the risks of all sectors such as Petrochemical, Real Estate, Textile etc. according to financial ratios of the Turkish Market and Referring to The Central Bank of Turkey. Additionally, co-ordinating juniors for the initial inquiries and researches of clients pre-crediting. And preparation of the initial terms & conditions if needed. Arranging meeting with V.I.P clients in order to respond their requests and demands; for doing that we always prepare questions according to client's field business under my overview.

Last two years (between 2013 - 2015) in the bank I had been promoted to department of Corporate Credit as a Senior Financial Analyst Associate for projecting and preparing feasibility report of investment projects that are holding the value of between USD 1- 250 million, As a Corporate Dr. I was creating financial analysis reports including SWOT analysis, periodic financial analysis, offering risk ratings, recommending suitable security and covenant baskets in the credit assembly, evaluate industry risks, business risks, financial risks, structure risks and determining the deficiencies of the corporations whether client is health or not. I also lecture new comers about banking procedures and financial statement analysis techniques. Preparing annual comparative internal and external macro economy analysis report for Kuveyt Türk Participation Bank. Also standard office administrative practices and procedures, performing basic research, presentation and recommendations, communicating effectively with co-workers, subordinates, superiors, representatives of public and private organizations and others those are sufficient to exchange or convey information.

Note: I have left Department of Financial Analysis of the bank in June due to uncompleted works that had to be done even though I had an agreement with G.T.T in April

Turkmenian Culturel Center July 2008, October 2009 (1 Year, 3 Month) International

Education Consultant Ankara, Turkey

Advisor of Turkmenian students those who come from Turks related communities abroad.

Foreign Languages, Competencies, Seminars & Course and Educations

Arabic

Read Write

Iraq-Dubai

English

Read Write

The Oxford School Dubai- Metu

Diplomacy Course

Middle East Technical University, 2011

Eurosima-European Union simulation. The course took place between 28.04.2011 - 03.05.2011 / 20 hours learning and using diplomatic language to solve the specific problems in related council of the EU.

Exams **IELTS** Cambrige, (6.5)

Speaking: 7 out of 9

ALES

OSYM, (89)

Other TR Identity Number 32749795220

Marital Status

Single