Paper beats rock: GCC geo-economics

by Georgios Barzoukas

Geo-economics can be understood as the intersection of economic tools and interests with political and security considerations and how countries utilise the former to achieve the latter or vice-versa.[1] Distinguishing a primacy between politics and economics in statecraft can be tricky as the sequencing of war, diplomacy and business is not always linear. Few international actors blur the lines between politics and business to the point of making them indistinguishable as some Gulf Cooperation Council (GCC) states do. Individuals there can simultaneously be state leaders, heads of the armed forces, hedge fund managers, as well as private investors who dispense unconditional aid while being cherished clients of defence contractors. This combination of roles (a result of their distinct political and economic models) allows them to deploy economic levers in support of their geopolitical aims in unparalleled ways.

The pillars of the *khaleeji* model

The model that allows the GCC states to act geo-economically in a unique way rests on three pillars: high energy rents, highly centralised and personalised power structures and the extensive use of foreign workers. Energy resources are by far the most important pillar of the model, however, as they allowed for the emergence of the latter two. Hydrocarbon exploitation in the GCC states began in the 1930s for Bahrain, Saudi Arabia, Qatar and Kuwait, and in the 1960s for the United Arab Emirates (UAE) and Oman. The advent of the oil and gas era

Summary

> To various degrees, the economic models of the GCC states rest on a unique combination of high energy rents, centralised personal rule and a disproportionate number of expatriate workers.

> A combination of social, political and economic factors allows them to mobilise certain economic tools in unique ways.

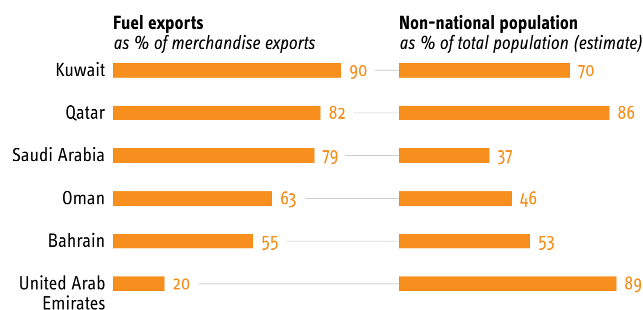
> There are unaddressed structural and economic challenges that threaten the *khaleeji* model in the long run.

> In the short to medium term however, if GCC actors utilise their economic leverage more strategically and in greater synch, they could make it increasingly difficult for third powers to operate with significant strategic autonomy in the MENA.

brought about the centralisation of state power: no longer reliant on the merchant class for financial support, the ruling elite could dominate political decision-making.

On the one hand, the rulers established a state patronage system through food, fuel, water and electricity subsidies and the provision of free government services. On the other hand, merchant elites were co-opted and accommodated by owning businesses linked to the energy sector (such as chemical plants) or benefited from government contracts (in the transportation or construction industry, for instance).[2] Extremely low taxes due to the rentier structure of the economy further added to the centralisation of power, as the relationship between state and citizenry is lopsided in favour of the former: according to the International Monetary Fund (IMF), in 2015 oil rents accounted for 68.4% of all government revenue in the GCC, while tax income accounted for just 6.3%.

GCC economic pillars



Data: World Bank, 2016; Gulf Research Center, 2017.

This centralised economic model provides the foundation for a highly centralised and personalised political system. All of the GCC states are monarchies with very few checks and balances or constraints from elected institutional bodies. In Oman, the sultan is acting as prime minister, minister of foreign affairs, and minister of defence, while also chairing the board of governors of the Omani central bank. In the UAE, Mohammad bin Zayed Al-Nahyan of Abu Dhabi is crown prince, supreme commander of the armed forces, while *de facto* chairing three Emirati sovereign investment vehicles. Kuwait stands out in the GCC: its national assembly can pass a motion of no confidence against ministers and the prime minister, and the state budget and oil revenues are, to some extent, transparently, accountably and independently audited.[3]

While traditionally home to complex power-sharing dynamics, Saudi Arabia is also rapidly moving towards a similar set up. The fertility and polygamy of its royal family members, numbering several thousand, has traditionally created several power-sharing problems whereby power was centralised in the royal family but was not a one-man show. Accommodating the sons of King Ibn Saud in positions that would reflect their princely status and reduce infighting led to a division of labour, and ministries became fiefdoms upon which the second Saud generation built individual patronage networks. Decade long-assumptions about how Saudi Arabia's domestic politics work have not withstood the coming of age of Mohammad Bin Salman, son of the current king. He managed to out-manoeuvre a long list of powerful third generation princes and is currently the *de facto* ruler, defence minister, and head of the Council of Economic and Development Affairs that controls the country's sovereign wealth fund (SWF), the so-called Public Investment Fund.

In addition to energy rents and highly personalised economic systems, the third pillar of the Gulf model is the extensive use of cheap foreign labour. The small population of the GCC states offered a limited labour pool that did not possess the required skills or the manpower for the economic realities of the oil era. Fearful that an uncontrolled labour influx could dilute their national identity and lessen the share of spoils from the 'rentier cake', flows are managed through what is known as the *kefala* system, whereby all workers require a permit from a national sponsor in order to work. The migrant population is tightly regulated and residency is temporary, allowing the recipient countries and businesses to easily adapt in accordance with boom and bust economic cycles, and governments to eschew integration and naturalisation demands.

However, this economic model is not sustainable in the long run, and GCC leaders know this. Diversifying away from hydrocarbons, nationalising the workforce and improving the skills and education of the labour force are themes that underpin nearly all development plans in the GCC countries. Saudi Arabia's Vision 2030, Qatar's Vision 2030, Abu Dhabi's Vision 2030, Kuwait's Vision 2035, Oman's Vision 2040 and Bahrain's Vision 2030 are all based on the acknowledgment that the dependency on hydrocarbons – and the socio-economic model it gave rise to – is not sustainable.

The need for diversification is not urgent because energy resources are running out, but because of the fluctuations of global supply and global demand. The oil glut that began in 2014 did significant damage to GCC economies; in a two-year period (2015-2017) they accumulated $353 billion in fiscal deficits and $270 billion in foreign-exchange reserve losses.[4] For the Gulf countries, the collapse of the dominant pearling

industry in the 1920s is an important historical reminder of the dangers associated with the lack of a diverse economic base. But with oil prices on the rise again, it remains to be seen whether the alarm caused by the 2014 oil glut may yet become as distant as the demise of the pearl industry.

The track record of implementing such crucial reforms has been mixed. Reforming and diversifying the economy contrasts with the powerful precedent of throwing petro-dollars at social and political problems (government spending in GCC states as a response to the Arab Spring jumped by 20% in 2011).[5] More recently, Saudi Arabia raised the salaries of public sector employees to offset the introduction of a value-added tax (VAT) tax hike, the aim of which is, ironically, fiscal consolidation. Attempts at reforming the labour market are likely to create tensions as the public sector is a key rent distribution conduit to nationals, while businesses benefit from the import of cheap labour. Government jobs pay generous salaries that, combined with the overwhelming presence of foreign workers in the private sector, create labour price and rights distortions that disincentivise (or even prevent) nationals from working for private businesses.[6] Pressure from nationals, businesses and the lack of verifiable population data are some of the issues that prevent meaningful reforms. However, the need for labour reforms are made even more urgent by the political implications of the minority status of nationals within the countries and the criticism from the international community concerning the working conditions of foreign labourers.

Regional paradigms of diversification are not very encouraging either, although a few examples exist. As a result of the Lebanese civil war (1975-1990), oil-poor Bahrain was able to take up the mantle as the financial centre of the Arab world by creating a business-friendly environment that contrasted with the restrictions imposed on investors by neighbours. Dubai edged out Bahrain in the 2000s and it is currently the leading financial centre in the Middle East and North Africa (MENA) according to the Global Financial Center Index (GFCI), with an equally important transportation industry. According to the Bahrain Economic Quarterly, in 2018 the island's non-oil sectors accounted for 81.6% of gross domestic product (GDP), while it stood at 95% for Dubai in 2005.[7]

Oil, however, remains 'king', even indirectly: Bahrain received significant economic assistance from its GCC neighbours during the Arab Spring, while Abu Dhabi saved fellow Emirate Dubai from bankruptcy in 2008. While both Dubai and Bahrain are leaders in diversifying their economies and preparing for a post-oil era, the crucial economic and/or political support received by their oil-rich GCC partners was key to maintaining stability.

> 'Government jobs pay generous salaries that, combined with the overwhelming presence of foreign workers in the private sector, create labour price and rights distortions that disincentivise (or even prevent) nationals from working for private businesses.'

Deficits in the west, surpluses in the east

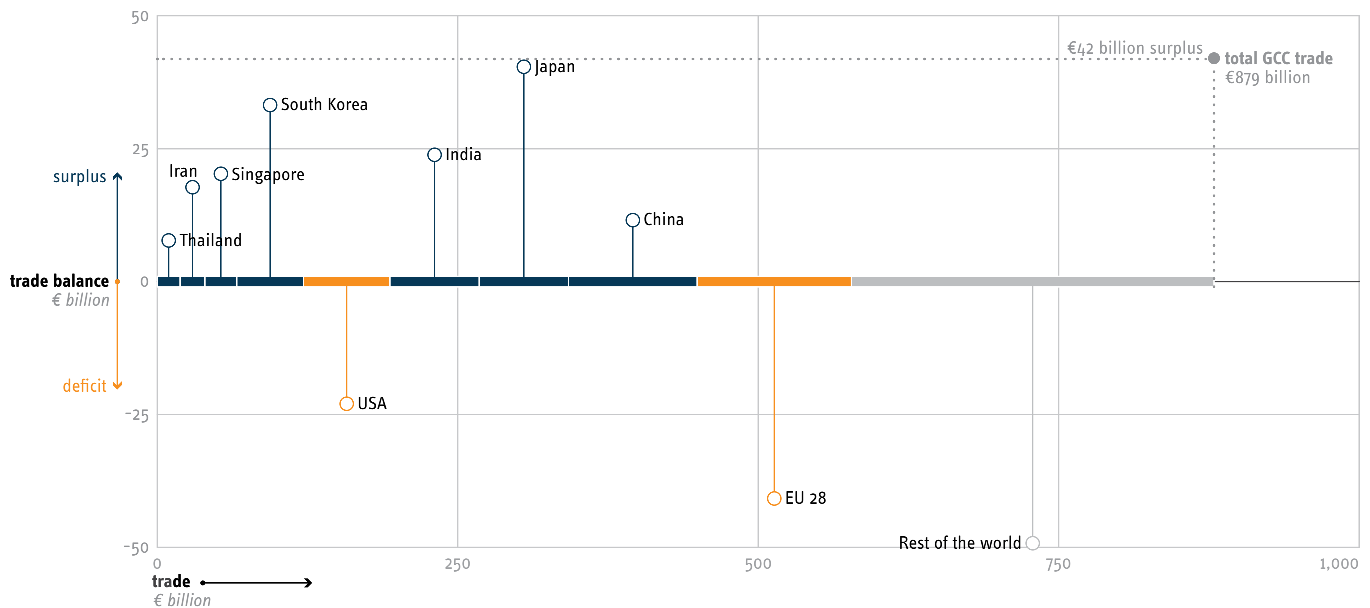
The political, social and economic characteristics of their state models provide Gulf states with unique ways to combine trade, investments, aid, remittances and defence procurement for statecraft. The aforementioned tools, which are by no means an exhaustive list of 'levers', allow GCC states to conduct their regional and international diplomacy. Trade and investments flows constitute the most important 'interaction' of GCC states with the world, as it allows them to generate income that is then channelled to aid and defence budgets.

Deficits and surpluses are not necessarily indicative of a winning or losing transaction, given that in capitalist systems it is individuals and companies that trade, not countries. Trade relationships are complex and if parties voluntarily agree to trade then it means that they both stand to benefit from it. But the fact should not be ignored that amid the recent proliferation of mercantilist tendencies across the Atlantic, the US trade surplus with the GCC is viewed favourably from the White House.

Mineral fuels, lubricants and related materials make up more than 65% of GCC exports to the European Union, while nearly half of GCC imports consist of machinery and transport equipment.[8] To the east, GCC countries are key sources of oil and gas for China, Japan and South Korea: according to the most recent data of the US Energy Information Administration (EIA), in 2014 Qatar provided 34% of China's gas imports while Saudi Arabia, Oman, Kuwait and the UAE 33% of its oil imports. The GCC also accounted

GCC trade with the world

Trade volume and balance, 2017, € billion



Data: European Commission (DG Trade), 2018.

for 75% of Japan's crude oil imports, 24% of its Liquefied Natural Gas (LNG), while 65% and 49% of South Korea's oil and LNG. The export of fuels and their by-products to the rest of the world generate a significant surplus for GCC states but as these resources are finite, all GCC countries have SWFs.

These government bodies were conceived in order to invest in various assets, and eventually create a steady and diversified stream of revenue that will allow citizens to maintain their standard of living in the post-oil era. SWFs can be understood as a form of insurance or 'retirement plan' for the countries that have them. According to the Sovereign Wealth Fund Institute's estimates, collectively, GCC SWFs hold nearly $3 trillion; the Emirates accounting for $1.3 trillion, Saudi Arabia for $744 billion, and Kuwait and Qatar $524 and $320 billion, respectively.[9] Few things are more telling about the relative freedom with which monarchs rule in the Gulf than the absence of transparent, consistent and publicly available information on the Assets under Management (AUM) of *khaleeji* SWFs.

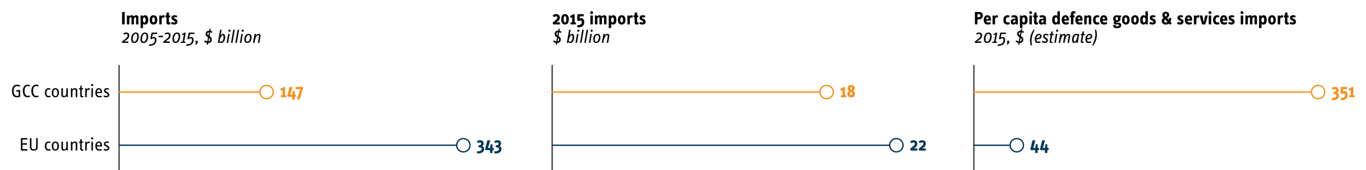
This link between national security and government-owned investment companies came to the forefront in 2006, when Dubai Port World, a subsidiary of the government-owned Dubai World, acquired the Peninsular and Oriental Steam Navigation Company (P&O). As the company had major US ports under its management, the sale caused uproar in the US on national security grounds, and Dubai Port World was eventually forced to hand over port operations in the US to an American entity.

In Europe, the European Commission issued a communication on 28 February 2008 which called for a common approach to SWFs and their activities.[10] The Commission raised the issues of national security, the lack of clear separation between SWF managers and the sponsoring government, the absence of an effective system of checks and balances, as well as the issue of transparency of AUMs. By the time the communication was issued, six months away from the collapse of Lehman Brothers, the Commission also acknowledged the positive role of SWFs in providing liquidity amid the worsening global financial outlook. Between March 2007 and April 2008, GCC sovereign wealth fund investments in major Western financial institutions totalled upwards of $30 billion.[11] As the crisis worsened, liquidity and investments dried up and cash-strapped Western governments saw the vast reserves of the Gulf countries as a possible 'lifejacket' to assist with their economic weariness.[12]

Foreign investments also come from GCC government-owned companies: Abu Dhabi's Etihad Airways, the publicly-owned Saudi Arabia Basic Industries Corporation (SABIC), as well as Qatar's Al-Jazeera Media Network all have global entities and investments across the world. Moreover, individuals closely linked to, or part of, the royal families also play important roles as investors: Prominent examples in Western

GCC defence imports

In comparison to the EU



Data: US State Department, 2017; Gulf Research Center, Eurostat, 2017.

Europe include the owner of English football club Manchester City, Mansour bin Zayed Al Nahyan (also UAE deputy prime minister), Saudi royal Al-Waleed bin-Talal or the Qatari Nasser Al-Khelaifi, who owns Paris St-Germain. As with sovereign wealth funds, open sources do not suffice to trace the source of these individuals' wealth, to analyse the governance of their respective investment vehicles or to pinpoint the relation between these business ventures and public sources of finance. Unable to define whether the public sphere plays a role in managing foreign investments, GCC-related investors and companies could in theory act as state levers, especially for assets that can be liquefied easily such as shares or bonds.

Platinum clients

The GCC states' willingness to spend and punch above their weight when it comes to defence procurement has proved to be an invaluable tool of purchasing diplomatic capital, as well as shoring up their diplomatic relations. Based on data from the International Institute for Strategic Studies (IISS) and the Gulf Research Center, Bahrain, the smallest defence purse in the GCC, spent $266 more per capita than the highest EU per capita defence spender, the UK. Oman spends more on defence than 12 EU countries combined, while Saudi Arabia and the UAE's budgets would rank 1st and 4th, respectively, if the countries were part of the European Union.

However, the most consequential element in GCC defence budgets is the amount spent on importing military goods and services. The case of Qatar is indicative. According to the Stockholm International Peace Research Institute (SIPRI), from 1971 to 2007 Qatar had imported slightly more than $2 million of military hardware from the US. According to the IISS Military Balance, as of 2018 Qatar has $4.76 billion worth of ongoing defence contracts with the US, with a further $29.6 billion worth of purchases pending contract signature. In July 2013, Qatar submitted a request to purchase 72 Boeing F-15s from the US, a request that coincided with the ousting of the Qatari-backed Egyptian President Mohammad Morsi – a major geopolitical defeat for Qatar. The agreement was finally signed in June 2017 for an initial 36 fighters with an additional future option for 36 more. In addition, Qatar has ordered 60 additional multirole fighters (Eurofighter Typhoon & Dassault Rafale) that could bring its total fleet of new combat aircraft to 132 planes by the 2020s. Such an increase would be unprecedented, as well as logistically and economically unorthodox. From a current fleet of just 12 multirole third-generation fighters, Qatar aims to field 132 new planes from three different sources, something that will require its air force to recruit and train three separate batches of pilots and ground personnel.

This procurement practice only makes sense if the buyer believes the diplomatic capital gained to be of greater value than the actual capabilities; it certainly needs to be large enough to offset the logistical nightmare that such procurement creates. Qatar's order extended the life of Boeing's production line in St Louis, Missouri, into the 2020s. The incentive for the selling side (the option for an order for an extra 36 F-15 QA planes) cannot but influence the US approach to the intra-GCC spat or other Qatar-related topics. President Donald Trump's willingness to voice his appreciation of the transactional elements in US-Gulf relations was demonstrated in his respective meetings with Crown Prince of Saudi Arabia Mohammed bin Salman on 20 March 2018 and Emir Tamim bin Hamad of Qatar on 10 April 2018. Moreover, such purchases are usually not one-off deals, and tend to signal the beginning of a long and profitable business relationship as the repairs, maintenance and overhaul market is equally significant for suppliers. For example, in 2011 Saudi Arabia decided to purchase 84 F-15s (SA version), as well as upgrade 70 planes in its older F-15 fleet to the same level at a total cost of more than $29 billion.[13]

Export-dependent defence industries that lack large domestic markets and/or strategic defence products that are nearing the end of their production cycle are prime targets for politically motivated procurement. The diplomatic capital

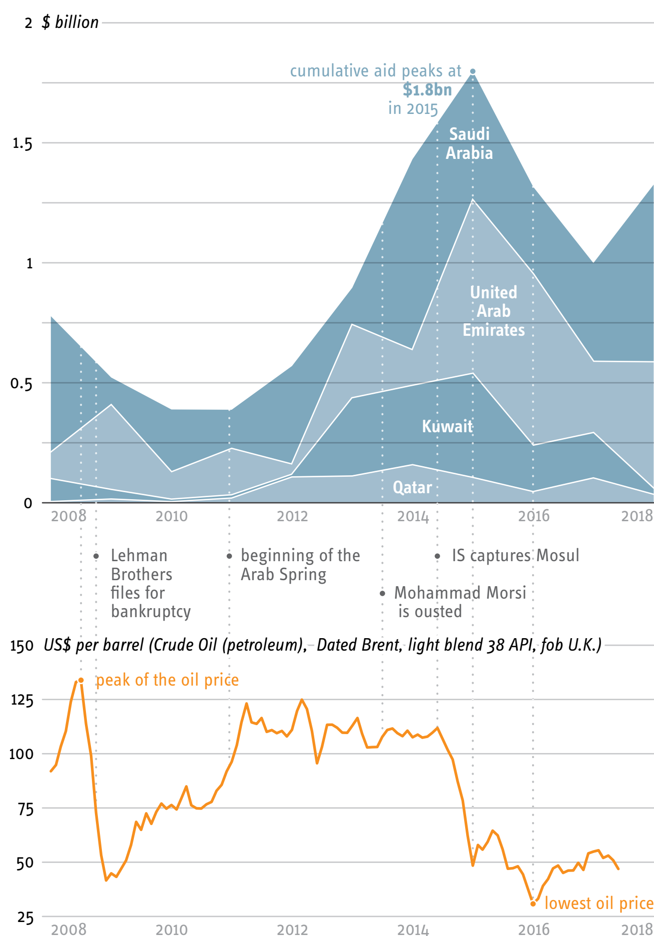
and influence to be reaped by buyers from defence deals depends therefore on the scale of production, as well as timing. As opposed to more accountable regimes, in countries where the state acts as a wealth distributor rather than a tax collector (and royal families rule unimpeded by internal checks and balances) such procurement methods are feasible because they go virtually unopposed.

Aid & remit

Beyond the realm of trade and investment, GCC countries provide economic assistance through direct transfers, loans, development and humanitarian aid, as well as through indirect flows such as remittances sent by expatriate workers. To a significant extent, oil prices and regional developments account for fluctuations in the amount of GCC humanitarian assistance. As the Arab Spring unfolded in 2011, Gulf states rushed to support like-minded states and provided generous aid to mitigate and prevent regime change and instability.[14] For instance, the GCC created a $20 billion development fund to support projects in Bahrain and Oman, while Saudi Arabia provided Yemen with more than $3.6 billion in aid, $2 billion worth of petro-products and a $1 billion loan. Qatar, Saudi Arabia, Kuwait and the UAE then offered $5 billion to the monarchies of Morocco and Jordan in 2012. Between 2012 and 2013, Qatar provided the Morsi government in Egypt with $7 billion, while the UAE and Saudi Arabia gave Cairo upwards of $6 billion of aid in various forms once Morsi was toppled 2013 and also pledged to cover any withdrawal of aid by the EU to the new regime. Such numbers are, however, speculative since there is little transparency and reporting is inconsistent; funds may be channelled directly through finance ministries, Arab multilateral forums, or through private donors.[15]

The GCC region is the largest remitter in the world. According to the 2016 Migration and Remittances Factbook of the World Bank, $95.8 billion flowed from the GCC to migrant-sending countries – $39.5 billion more than the US, the top remittance-sending country. According to the World Bank's Bilateral Migration Matrix of 2017, of the 28.6 million migrants in the GCC, 17.1 million came from South Asia, 5.3 million from the MENA and 3.9 million from South-East Asia. High unemployment rates in the migrant sending-countries and the demand for easily replaceable low-skilled workers means that the *kefala* system can tap into a virtually inexhaustible pool of labour. This oversupply of labour, combined with the precedent of mass deportation (such as those of Yemeni and Palestinian workers from GCC states in 1990 as a result of their governments' position on the invasion of Kuwait), is a powerful reminder for migrant-sending countries that their remitting diasporas are potentially vulnerable to geopolitical feuds.[16]

GCC foreign aid



Data: UNOCHA Financial Tracking Service, 2018; IMF,2018.

The balance sheet

Drawing on a variety of financial and hard power tools at their disposal, Saudi Arabia, Qatar, the UAE and Kuwait have exhibited more assertive regional stances since 2011; an activism underpinned by internal security considerations. Wherever regime change could lead to a new (more positively predisposed) government in the MENA, GCC states have often used financial and military means to upset the *status quo*. Qatar provided support to the Muslim Brotherhood in Egypt and participated alongside the UAE in the air campaign against Gaddafi in Libya, for instance, while Syrian rebel groups have received support from various GCC members. Elsewhere, Gulf actors supported the preservation of the *status quo*: generous aid to Bahrain, Oman, Jordan and Morocco acted as a bulwark against dissent, while in Egypt it allowed for the return to a non-Islamist government. Yet evidently, as is the case

for all regional and international actors engaged in the MENA, the track record of post-2011 GCC 'activism' in the region has been mixed. For example, Saudi Arabia and the UAE are still bogged down in Yemen as they attempt to prevent the Iranian-backed Houthis from taking power.

The importance of the GCC as a coherent geopolitical grouping should, however, not be overstated. The ongoing blockade of Qatar by Saudi Arabia, the UAE, Bahrain (and Egypt) provides the most obvious example of policy divergence, division and hostility between GCC members. The three main issues where there is significant variation in policy are relations with Iran, the Muslim Brotherhood, and the handling of their respective Shia populations. On Iran, Saudi Arabia, the UAE and Bahrain supported the withdrawal of the US from the Joint Comprehensive Plan of Action (JCPOA) in May 2018, while Oman, Qatar and Kuwait were more cautious in their response. Oman had facilitated the (P5+1) negotiations and Qatar carefully manages its relations with its northern neighbour as they jointly exploit the South Pars/North Dome gas field, the largest natural gas field in the world.[17]

Significant divergence is also visible on the issue of the Muslim Brotherhood. While Qatar has allegedly provided significant financial and 'mediatic' support to Brotherhood-linked groupings and a handful of affiliated politicians serve as members of the national assemblies in Bahrain and Kuwait, Saudi Arabia and the UAE have listed the movement as a terrorist organisation. Finally, there is a stark contrast between the weak sectarian and socio-economic divide of Islamic denominations in Oman, Kuwait, Qatar and the UAE on the one side, and the branding of Shia nationals in Bahrain and Saudi Arabia as Iranian 'fifth columns' on the other.[18] Collectively, with their significant defence budgets and economic clout, the GCC states would make for a 'sizeable' geopolitical actor. However, given the divergence on existential political and diplomatic issues, it is evident that the grouping is nowhere near achieving such synchronised multilateral action.

'Collectively, with their significant defence budgets and economic clout, the GCC states would make for a 'sizeable' geopolitical actor. However, given the divergence on existential political and diplomatic issues, it is evident that the grouping is nowhere near achieving such synchronised multilateral action.'

Shifting the balance

In the context of the MENA region, strengthening the EU's position as a principled yet pragmatic normative power goes hand in hand with minimising its exposure to geo-economic levers that cannot be 'answered' reciprocally. Subsequently, the most pressing issue for EU member states is the further consolidation of defence industries that produce high-value military hardware of strategic technological importance such as aircraft or ships. In the absence of domestic markets large enough to achieve economies of scale and guarantee long-term production cycles, the incentive to preserve and nurture lucrative business relationships abroad will negatively impact diplomatic and political autonomy. The ability to shape, prevent and influence developments in a region where local actors will not think twice before buying 'influence' through critical defence procurement is directly linked to lowering the EU's defence export-dependence on GCC states.

Expectations should be realistic, however. Collaborative production programmes and the pooling of resources are hard to achieve as countries have different industrial strategies and differing operational requirements. Moreover, exports are financially important even in the context of defence products that have achieved satisfactory economies of scale in their domestic markets. Consequently, industrial consolidation appears to be a more realistic option than putting in place export control regimes *vis-à-vis* countries that are crucial EU business partners.

Managing the EU's exposure to government-associated investment vehicles is equally important. SWFs are undeniably a key driver of globalised economic activity. The improved economic environment in the EU should allow for renewed discussions surrounding the regulation of SWF activity to ensure the highest levels of AUM and governance transparency. Building on the recommendations of the Commission's 2008 Communication, member states could collectively decide what they expect from extra-EU sovereign investors. Such rules could cover the transparency of the internal governance of SWFs, their risk and investment strategies, their portfolios, as well as the extent to which sponsoring governments influence investment decisions.

After the departure of the UK, the EU will also lose an important bridge to the region. Beyond

the deep historical, defence and trade links between the UK and GCC states, London wields significant soft power in the region. A prominent example is the Royal Military Academy of Sandhurst, which has a long list of *khaleeji* alumni, including several Saudi and Kuwaiti princes, Sultan Qaboos of Oman, the current and previous emirs of Qatar, as well as the Bahraini king. Building personal ties with Gulf leaders during their more formative years is one of the most effective ways to build resilient political links with the region. In a region where power is personalised, making EU academic institutions the preferred destination for Gulf elites could pay diplomatic dividends.

Finally, it is vital that the EU determines the optimal diplomatic level to engage with the GCC. As long as the Qatari blockade continues, the GCC as a multilateral forum will not be a credible conduit either for internal or external cooperation. Further integration (such as a monetary union), or the resumption of EU-GCC negotiations for a Free Trade Agreement (stalled since 2008) are unlikely to take place any time soon. For the smaller Gulf states, this is not necessarily a negative development: the size of the Saudi economy and market means that Riyadh would most likely dominate the group. At a minimum, the EU could acknowledge the limitations of the GCC as a multilateral forum and prioritise opening distinct Delegations in Kuwait, Qatar and Oman, rather than relying on a central diplomatic representation to the GCC as is currently the case.

Georgios Barzoukas is a former Junior Analyst at the EUISS.

Endnotes

1) Mark J.Munoz, *Advances in Geo-economics* (Routledge, 2017), 95.

2) Kristian Ulrichsen, *The Gulf states in international political economy* (Basingstoke, UK: Palgrave Macmillan, 2016), 104.

3) Omar Al Shehabi, "Show us the Money: Oil Revenues, Undisclosed Allocations and Accountability in Budgets of the GCC States," *LSE Kuwait Programme Paper Series*, no 44 (September 2017): 5.

4) Luiz Pinto, "Sustaining the GCC currency pegs: The need for collaboration," *Brookings*, February 19, 2018.

5) IMF, "Annual Meeting of Ministers of Finance and Central Bank Governors: Economic Prospects and Policy Challenges for the GCC Countries," October 5-6, 2012.

6) Steffen Hertog, "Arab Gulf states: an assessment of nationalisation policies," *Gulf Labour Markets and Migration Programme*, GLMM Research Paper 2014/1 (2014): 3.

7) Martin Hvidt, "Economic diversification in GCC countries: past record and future trends," Kuwait Programme on Development, Governance and Globalisation in the Gulf States, 27 (2013): 33.

8) European Commission, "Trade in Goods with the GCC", Directorate General for Trade, 16 April 2018. http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113482.pdf.

9) "Sovereign Wealth Fund Rankings," Sovereign Wealth Fund Institute, last modified August, 2018, https://www.swfinstitute.org/sovereign-wealth-fund-rankings/.

10) European Commission, "A common European approach to Sovereign Wealth Funds", Communication of the Commission to the Council, *COM(2008)115 provisional*, Brussels, 2001. www.ec.europa.eu/internal_market/finances/docs/sovereign_en.pdf.

11) Mehmet Asutay, "GCC Sovereign Wealth Funds and Their Role in the European and American Markets," *Equilibri*, (2008): 335-354.

12) Sara Bazoobandi, "GCC Sovereign Wealth Funds: Aims and Motives," in *The Rising Gulf: The New Ambitions of the Gulf Monarchies*, ed. Valeria Talbot (Edizioni Epoké, 2016), 67.

13) US Defence Security Cooperation Agency, "Saudi Arabia – F-15SA Aircraft," 20 October 2010, http://www.dsca.mil/major-arms-sales/saudi-arabia-f-15sa-aircraft.

14) Emma Soubrier, "La Diplomatie économique des pays du Golfe à l'aune du Printemps arabe: du rayonnement à la puissance, " in *Annuaire Afrique du Nord Moyen-Orient 2014-2015*, ed, Frédéric Charillon et Alain Dieckhoff, (Paris, La documentation Française, 2014c), 123-136.

15) Lisa Watanabe, "Gulf States' Engagement in North Africa: The Role of Foreign Aid," in *The small gulf states: Foreign and security policies before and after the Arab Spring*, ed. Khalid S. Almezaini and Jean-Marc Rickli (Taylor & Francis, 2017), 170-172.

16) Kristian Ulrichsen, *The Gulf States in international political economy*, (Basingstoke, UK: Palgrave Macmillan, 2016), 168.

17) Maaike Warnaar, Luciano Zaccara, and Paul Aarts, *Iran's Relations with the Arab States of the Gulf: Common Interests over Historic Rivalry* (Berlin, Germany: Gerlach Press, 2016), 169-170.

18) Bahrain (65-75%), Kuwait (20-25%), Oman (5-10%), Qatar (~10%), Saudi Arabia (10-15%), UAE (~10%). Pew Research Center, "Mapping the Global Muslim Population," *Forum on Religion & Public Life* (October, 2009); Chatham House, "Identities and Islamisms in the GCC," *Middle East and North Africa Programme: Future Trends in the GCC Workshop Summary*, (2012).

© EU Institute for Security Studies | QN-AK-18-008-EN-N | ISBN 978-92-9198-650-7 | ISSN 2315-1110 | doi: 10.2815/307932