The Rise of the GCC States and Turkey

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Convergent and Divergent Regional Agendas

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LIST OF ABBREVIATIONS

AKP	Justice and Development Party (Adalet ve Kalkınma Partisi)
AMU	GCC Agreement of the Monetary Union
AYM	Constitutional Court (Anayasa Mahkemesi, Turkey)
CENTO	Central Treaty Organization
EEZ	Exclusive Economic Zone
FTA	Free Trade Agreement
G20	Group of Twenty
HSYK	Supreme Council of Judges and the Prosecutors (Hâkimler ve Savcılar Yüksek Kurulu)
ICI	Istanbul Cooperation Initiative
ICM	Islamic Constitutional Movement, Kuwait
ISIL	Islamic State in Iraq and the Levant
JCEC	GCC-Turkey Joint Committee for Economic Cooperation
JCPA	Joint Comprehensive Plan of Action (Also known as the Iran Nuclear Deal)
KRG	Kurdistan Regional Government
LNA	Libyan National Army
LNG	Liquefied Natural Gas
LPA	Libyan Political Agreement
MGK	National Security Council (Milli Güvenlik Kurulu)
MIKTA	Group of Mexico, Indonesia, South Korea, Turkey and Australia
MINT	Group of Mexico, Indonesia, Nigeria and Turkey

MoU	Memorandum of Understanding
NTC	National Transitional Council, Libya
OECD	Organization for Economic Cooperation and Development
OIC	Organization of Islamic Cooperation
OPEC	Organization of the Petroleum Exporting Countries
PKK	Kurdistan Workers' Party, Turkey (Partiya Karkerên Kurdistanê)
PSF	Peninsula Shield Force
PYD	Democratic Union Party, Syria (Partiya Yekîtiya Demokrat)
QNA	Qatar News Agency
SCAF	Supreme Council of the Armed Forces in Egypt
SDF	Syria's Democratic Forces
SWF	Sovereign Wealth Fund
THAAD	Terminal High Altitude Area Defense System
TIKA	Turkish Cooperation and Coordination Agency
UAE	United Arab Emirates
UEA	Unified Economic Agreement
WTO	World Trade Organization
YPG	People's Protection Units, Syria (Yekîneyên Parastina Gel)

INTRODUCTION

The Gulf Cooperation Council (GCC) and Turkey have recently experienced economic growth and played influential regional roles in the Middle East. In tandem, their relationships grew significantly, and Turkey was considered for a while as a "strategic partner". However, this progress in their relationships has turned into clashing agendas. Their new geopolitical roles have not only affected their relationships, but also influenced the region and its current issues. Indeed, the study of their relationships is no longer a traditional analysis of the development of the areas of cooperation or disputes between two parties. Rather, it is also concerned with the visible economic growth of both parties, the rise of their political roles and their new interests and ambitions that are influential in the region and its future.

The emergence of the GCC states, particularly Saudi Arabia, Qatar and the United Arab Emirates (UAE), as visible actors was accelerated in the aftermath of the United States-led invasion of Iraq in 2003, the international economic crisis of 2008 and the Arab Spring since 2011. Using their growing capabilities of energy resources, capital accumulation, sovereign wealth funds (SWFs) and political roles as advantages, they became more involved in regional crises. On the other hand, Turkey, with a fast-growing economy since 2002, also has an ambitious strategy to become a major regional power with influence over the neighboring region as a prominent actor at the international level. Having relied on soft power for over a decade—through attempts to play the roles of mediator of peace and stability and promoter of liberal values and democracy—Turkey has recently increased its activity in the region to maintain its interests, balance Iran's increasing influence, support political transition after the Arab Spring, counter the emerging sub-state actors' threats and intervene by hard power outside the country.

The relations between the GCC states and Turkey have improved recently. Their growing mutual interdependence has increased in energy, trade, business and investment. In 2005, the GCC states and Turkey signed a Memorandum of Understanding (MoU) to develop their cooperation in trade, investments, energy, transportation and cultural exchanges. In 2008, they signed another MoU that considered Turkey as a "strategic partner"

and launched a High-Level Strategic Dialogue Mechanism to develop cooperation in political, economic, defense and cultural fields. Geopolitically, the new disorders in the Middle East, which threaten domestic stability and regional security, have initially increased the GCC-Turkey rapprochement. The potential disintegration of Iraq and the consequences of the Arab Spring, such as the Syrian crisis, the Yemen war, the escalation of the sectarian Shiite-Sunni strife, the threats of the Islamic State in Iraq and the Levant (ISIL) and the expansion of Iran's influence are all critical challenges that gave momentum to GCC-Turkish relations. In this way, Turkey's relations have developed with Qatar and Saudi Arabia in particular, where it signed strategic partnership agreements in 2014 and 2016 respectively, while its economic relations with the UAE have reached an advanced level.

However, the Arab Spring uprisings also produced new challenges and different perceptions that showed competing agendas and division between some GCC states and Turkey, as well as among the GCC states. Turkey has deepened its strategic relationship with Qatar to balance the opposing policies of Saudi Arabia and the UAE in the region. Their divergences were clear in the cases of Egypt, the Muslim Brotherhood and Libya, where their disputes were mainly based on ideological and political dynamics such as the advance of political Islam, the demands for democracy and the increasing possibilities of threatening the status quo and regime change. In addition, the Gulf crisis—where Saudi Arabia, the UAE, Bahrain and Egypt fully cut relations with Qatar during the period from June 2017 to January 2021—had escalated their divergence. To balance this threat, Doha cooperated with Ankara by expanding the Turkish military base, which was established in 2014. It also restored diplomatic relations with Iran, which were severed in 2016. The murder of the Saudi journalist Jamal Khashoggi at the Saudi consulate in Istanbul in October 2018 had also negatively affected Turkish-Saudi relations. Furthermore, the competition reached the Horn of Africa in a quest for establishing military bases and competing for regional influence.

Indeed, the GCC-Turkish relations are dynamic and rapidly changing. Some regional crises can be matters of political agreement and coordination at their early stages, as in the case of Libya, Syria and Yemen. But this agreement disappeared and may turn into conflict. In addition, Iran has shifted from being a cause of agreement between the GCC states and Turkey to a factor of difference, as will be shown later. On the other hand, some tensions which were important causes of escalation between the conflicting parties were resolved, such as the Gulf crisis. All parties expressed their

desire to restore cooperation despite continuing differences on some regional issues. Therefore, studying the commonalities between the countries of the GCC and Turkey is just as important as analyzing the issues of difference.

Methodologically, the book seeks to comprehend these complicated relations, which are a mixture of cooperation and conflict, through the lens of the balance of threat theory in international relations. It argues that the opposing perceptions and policies of those actors on many regional issues pose challenges to their common interests and might divide them despite the fact that they were interested in developing their relations and even forming alliances. Hence, it aims to assess the growth of their roles, potential alliances and competing policies on a regional scale.

The balance of threat concept has been recently developed by Stephen M. Walt, who revised the traditional balance of power theory. The latter helps in explaining states' efforts to increase their capabilities to check the influence of other states, particularly through forming alliances. It not only means attaining an equilibrium among states; rather, it also includes competition and looking to maximize states' relative power to maintain security through different methods. According to Hans Morgenthau, the balance of power is "a device for the self-defense of nations whose independence and existence are threatened by a disproportionate increase in the power of other nations."[1] For Kenneth N. Waltz, the balance of power exists when the order is anarchic and units primarily striving to survive populate the system.[2] He concluded, "[I]n anarchy there is no automatic harmony,"[3] and suggested that "the roots of international conflict lie in both the clash of interests among states and the absence of effective supranational agencies for the regulation of this clash."[4] In this respect, John J. Mearsheimer argued that the "conflict is common among states because the international system

[1] Hans J. Morgenthau and Kenneth W. Thompson, *Politics among Nations: The Struggle for Power and Peace* (New Delhi: Kalyani Publishers, 1985 [1948]), 131.
[2] Kenneth N. Waltz, *Theory of International Politics* (Philippines: Addison-Wesley Publishing, Inc., 1979), 114.
[3] Kenneth N. Waltz, *Man, the State, and War: A Theoretical Analysis* (New York: Columbia University Press, 2001 [1954]), 186.
[4] David Singer, "International Conflict: Three Levels of Analysis," review of *Man, the State, and War* by Kenneth N. Waltz, *World Politics*, Vol. 12, No. 3 (April 1960): 458.

creates powerful incentives for aggression… States seek to survive under anarchy by maximizing their power relative to other states."[5]

The balance of threat theory does not contradict the balance of power theory; rather, it looks to expand and explain the major factors that affected states' decisions when they chose their allies. Walt argued, "Balance-of-threat theory should be viewed as a refinement of balance-of-power theory… [It] predicts that states seek allies when there is an imbalance of threat (that is, when one state or coalition is especially dangerous)."[6] He also reasoned states make alliances primarily to balance against the greatest threats to their security. "The degree to which a state threatens others, in turn, is a function of power, geographic proximity, offensive capabilities and perceived intentions."[7]

Such sources of threat, which drive states to form alliances, are evident in the context of this book. *First, aggregate power capabilities*: Walt did not ignore the balance of power theory, but certainly emphasized its fundamental factor, the distribution of power capabilities, as the first element of threat sources. He stated, "[A] state's aggregate power may provide a motive for balancing or bandwagoning."[8] According to Harm J. de Blij, power is "the capacity of a nation to use its tangible and intangible resources in such a way to affect the behavior of other nations."[9] Morgenthau has also defined national power as "the power of man over the minds and actions of other men."[10] The distribution of capabilities is based on national power elements, which could include the geographic aspects of a state, natural resources and a self-sufficiency of food. It also includes: national character "for those who act for the nation in peace and war and formulate and support its policies," national morale, meaning the "degree of determination with which a nation supports the foreign policies of its government in peace or war," and the quality of the government that can transform the aims of its people into

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[5] John J. Mearsheimer, "Back to the Future: Instability in Europe after the Cold War," *International Security*, Vol. 15, No. 1 (Summer1990): 12-13.
[6] Stephen M. Walt, "Testing Theories of Alliance Formation: The Case of Southwest Asia," *International Organization*, Vol. 42, No. 2 (Spring 1988): 281.
[7] Stephen M. Walt, *The Origins of Alliances* (Ithaca, New York: Cornell University Press, 1990 [1987]), vi; Stephen M. Walt, "Balancing Threat: The United States and the Middle East," an Interview with Stephen M. Walt, *Yale Journal of International Affairs* (Spring/Summer 2010): 10; Walt, "Testing Theories of Alliance Formation," 280-281.
[8] Walt, *The Origins of Alliances,* 22-23.
[9] Harm J. de Blij, *Systematic Political Geography* (Hoboken, NJ: Wiley, 1973), 59.
[10] Morgenthau and Thompson, *Politics among Nations*, 117.

reality.[11] Within the scope of this book, the increasing influence of Iran has been seen as a potential threat by some GCC states and has also worried Ankara. Both parties, at times, attempt to build an alliance to check Iran's capabilities, even though they also have political and economic relations with Tehran.

Secondly, geographic proximity: Walt assumed that states are more likely to "make their alliance choices in response to nearby powers than in response to those that are distant" because neighboring states can pose a greater threat.[12] In this book, proximity threats that come from a regional rival are factors of alliance formation in several cases: The GCC alliance formed to balance the power capabilities and proximity to Iran and Iraq, Turkey and some GCC states attempted to form an alliance to counterbalance Iran's influence in their own neighborhoods, and Qatar's alliance with Turkey to balance some neighboring GCC states' threats during the Gulf crisis.

Thirdly, offensive capabilities: The ability to threaten another state. The immediate threats that offensive capabilities pose may create a strong incentive for others to balance.[13] Offensive power is evident in this book. Most of the GCC states have been forming alliances with external great powers because of the increasing offensive capabilities of Iran, especially in light of it developing its ballistic missile program and the possibility of acquiring nuclear capabilities. In addition, the GCC-Turkey MoU of 2008 and the Turkish-Saudi Coordination Council mechanism in 2016 partly aim to balance these Iranian capabilities.

Fourthly, aggressive intentions: Walt argued that policymakers are likely to misinterpret their allies' efforts to improve relations with the main enemy if they focus solely on power and ignore the impact of changing intentions.[14] He added, "[S]tates that are viewed as aggressive are likely to provoke others to balance against them."[15] This book will discuss how the Gulf states formed their own alliance (the GCC) to balance what they perceived as the aggressive intentions of Iran. This has sometimes led to rapprochement with Turkey to create such balance.

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[11] For more details, see: Ibid., 117, 130-131, 151-153, 158-161.
[12] Walt, *The Origins of Alliances,* 23, 29-30.
[13] Ibid., 24-25.
[14] Walt, "Testing Theories of Alliance Formation," 283-284, 313.
[15] Walt, *The Origins of Alliances*, 25.

Alliance formation strategies are important in the balance of threat theory. For Walt, an alliance could be "a formal or informal relationship of security cooperation between two or more sovereign states."[16] He then asked: how do states select their partners? He proposed many hypotheses. First, states ally *against* states that threaten them—that is, they "balance." Secondly, states ally *with* states that threaten them—that is, they "bandwagon." Thirdly, states select allies of similar ideology. Fourthly, partnerships are induced by foreign aid.[17] These proposed strategies would be useful in the context of the book, which would help in explaining different parties' alliance-forming behaviors.

First, balancing and bandwagoning: these have been discussed as main strategies to maintain the balance of power, where great powers use these strategies to maintain the distribution of power when facing a dangerous rival. However, the balance of threat also dealt with them as policies to form alliances. Walt discussed, "whether states tend to balance strong or threatening powers by allying against them, or whether they are more likely to bandwagon by allying with the most powerful or threatening states."[18] In a balancing world, "strong states may be valued as allies because they have much to offer their partners, but they must take particular care to avoid appearing aggressive." Balancing behavior is favored in certain conditions. Walt assumed that, first, the stronger the state, the greater is its tendency to balance. Secondly, the greater the probability of allied support, the greater is the tendency to balance. Thirdly, the more unalterably aggressive a state is perceived to be, the greater is the tendency for others to balance against it.[19] However, a bandwagoning world is much more competitive. If states tend to ally with those who seem to be most dangerous, then great powers will be rewarded if they appear to be both strong and potentially aggressive.[20] Weak states may be more inclined to bandwagon because they are more vulnerable to pressure and can do little to determine their own fates.[21] This book will show how balancing is the main strategy of the GCC states against Iran. The latter is geographically close to these countries, has great offensive capabilities and possibly aggressive intentions, and extensively develops its military power capabilities. This led the GCC states to strengthen

[16] Ibid., 1.
[17] Douglas J. Macdonald, review of *The Origins of Alliances* by Stephen M. Walt, *The Journal of Politics*, Vol. 51, No. 3 (August 1989): 795-796.
[18] Walt, "Testing Theories of Alliance Formation," 275.
[19] Walt, *The Origins of Alliances*, 33.
[20] Ibid., 27.
[21] Ibid., 173; Walt, "Testing Theories of Alliance Formation," 279.

their alliances with Western powers and try to ally with Turkey. In another case, Qatar strengthened its alliance with the US and, more recently, with Turkey and cooperated with Iran to balance immediate threats during the Gulf crisis.

Secondly, ideology: Walt assumed that alignment with similar states may be viewed as a way of defending one's own political principles and may enhance the legitimacy of a weak regime by demonstrating that it is part of a large popular movement. However, he downplayed the importance of ideology in alliance choices, and stated, "[W]e may exaggerate the apparent importance of ideology,"[22] and added, it "plays relatively little role in determining alliance preferences."[23] He observed that within the Middle East itself, when ideology has played a role, the resulting alliances have not been very durable.[24] Nonetheless, in this book, ideology plays an important role in alliance formation. The conservative monarchial GCC states have allied against Iran's Islamic revolution ideology and the Baathist Iraq. Moreover, Qatar and Turkey have defended the right of all political movements, including political Islam, to govern through democratic processes in the Arab world. On the other hand, Saudi Arabia, the UAE and Egypt classified the Muslim Brotherhood, for instance, as a terrorist group and agreed to counter it. In addition, Iran and Shiite factions in Iraq, Syria, Lebanon and Yemen have formed a tacit alliance.

Thirdly, foreign aid: Walt assumed that states chose allies to obtain side payments of material assistance, such as economic or military aid. When other incentives for alignment exist, these instruments can help alliance members achieve their various aims efficiently.[25] Some GCC states and Turkey have used foreign aid in their contest for Egypt after the Arab Spring, as will be discussed in Chapter Four.

The book's findings show that developments in the relations between the GCC states and Turkey were closely related to its main argument and these theoretical concepts. First, the GCC alliance has helped its member states to coordinate their policies and increase their regional power in order to balance both the regional security threats and Iran. However, the emergence

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[22] Walt, *The Origins of Alliances*, 34-35, 39.
[23] Walt, "Testing Theories of Alliance Formation," 313.
[24] For instance, the unity between Syria and Egypt was undermined within three years (1958-1961). President Nasser was "prepared to use the union to serve his own ends" for "regional dominance." See: Walt, *The Origins of Alliances*, 71-72.
[25] Ibid., 218, 225, 261.

of the regional roles of some GCC states, such as Saudi Arabia, the UAE and Qatar, and their competing policies weakened their own alliance as well as the countering of Iran's policy.

Secondly, to balance Iran's influence and other perceived threats, the GCC states have been allying with external powers and, at times, they recognized Turkey as both an economic partner and a growing regional power that may help in their endeavor. Ankara has also sought to enhance its relations with the GCC states to enhance its strategic partnerships in the hope that this would lead to the formation of a future alliance that increases its weight in the regional balance of power. This mutual perception of potential interdependence, however, has diminished because they still call upon their traditional negative stereotypes when there is a clash of interests and division over some regional issues, as will be shown later. This renewed call for old disputes raises doubts about future relations and any possible alliance among them.

Thirdly, some GCC states have become reluctant to develop a future alliance with Ankara, despite the latter being considered as a partner in forming the so-called "Sunni camp" to weaken the "Shiite camp" led by Tehran early in the Syrian crisis and the Yemen war. Iran has become a cause of sour relations between these states. Turkey has moved toward a policy based on dialogue with Iran and Russia about the future of Syria and containing some Kurdish militant groups' threats to its security. Despite this, Turkey became an ally of Qatar through deepening their strategic partnership and establishing the Turkish military base. This intensified their division with Saudi Arabia, the UAE and Bahrain during the Gulf crisis.

Fourthly, ideology has played an important role in re-alignment in the region. The spreading of political Islam and liberal thoughts due to the Arab Spring uprisings has been perceived as a threat by most GCC states, which have realized that regime change would threaten the status quo in the region and overthrow their allies and also threaten their own societies. On the other hand, Turkey and Qatar have seen that the success of the uprisings and the spread of democracy would eliminate the old regimes in the Arab world and bring a new elite to power from the broad political spectrum. But ideology as a cause of conflict or alliance formation does not operate in isolation from geopolitical regional rivalry. For instance, the Muslim Brotherhood's rise in Egypt was crucial. Their convergence with Turkey and Iran deepened Riyadh's concern because this would threaten its influence and upset the regional balance of power in favor of its rivals.

In sum, the initial development of political convergence between the GCC states and Turkey has declined recently, while balancing behavior has prevailed. Often, their competing agendas and contest for regional influence are at the expense of their own interests.

The book makes a new contribution to this topic. The only book that has examined the full discussion of GCC-Turkey relations is Özden Zeynep Oktav and Helin Sarı Ertem (eds.), *GCC-Turkey Relations: Dawn of a New Era* (2015). It resulted from a workshop in 2013, whose papers were compiled in an edited volume. It consisted of fragmented papers in which each author examined a specific area. It was also written before the major division between Turkey and the GCC states. For instance, it ignored the overthrow of the Egyptian regime in July 2013 and the division in Libya, which have significant impacts on GCC-Turkish relations to this day. It presented Turkey's policies and perspective on the GCC states, while the GCC states' own perspectives were almost absent. In addition, there is an insufficient number of academic articles dealing directly with the GCC-Turkish relations. The bibliography of the book shows the relatively small number of articles in this regard, such as; Ali Diriöz, "Turkey and the GCC Strategic Partnership after 5 Years," *Ortadogu Analiz* (2013); Bulent Aras, "Turkey and the GCC: An Emerging Relationship," *Middle East Policy* (2005); Cameron Brown, "Turkey in the Gulf Wars of 1991 and 2003," *Turkish Studies* (2007); Muhittin Ataman, "Turkey and Saudi Arabia" SETA Policy Brief (2012); and Özden Oktav, "The Gulf States and Iran: A Turkish Perspective," *Middle East Policy* (2011). These articles were limited to specific issues on the topic and are mostly not updated to meet the new emerging factors that affect the GCC-Turkish rapprochement or competition. This book will go beyond the scope and perspective of these published works. Instead, it will address current geopolitical shifts using a variety of new data. It looks at new and interesting dynamics and cases across the region. It will also present and analyze the perspectives and policies of both parties: the GCC states and Turkey. It does this by providing a comprehensive analysis of their relations on a regional scale and in terms of current developments, using the balance of threat as an encompassing theory.

The book includes five chapters. *Chapter One* will explore the genesis of the GCC alliance, its economic significance and the growing regional roles. It will also trace the emergence of some GCC member states as influential economic and regional actors and how competition has risen among them. Due to their growing power, the GCC relationships have been expanding with regional and international actors. In this way, this chapter will explore

Turkey's position in the GCC states' perceptions as both an economic partner and a potential regional ally.

Chapter Two will explore the growth of Turkey's power and the position of the Gulf in its perceptions strategically and economically. In this respect, it will trace how Turkey has recently sought to regain its regional status and to be an influential actor in regional politics. Because it looks to strengthen its ability in the regional balance of power and in countering threats, the Gulf region is considered to be an advantage for Turkey for two reasons: First, the geopolitical significance of this region. Second is the economic factor, where GCC markets, capital, investments and energy resources are considered to be great opportunities for Turkish economic growth.

Chapter Three will examine the convergence dynamics of the GCC states and Turkey. It will briefly trace the history of the rapprochement between the two parties. It will also discuss how major geopolitical shifts brought the GCC states and Turkey closer to balancing emerging security threats. In this way, it will examine key regional issues and threats that drive the rapprochement between the two parties. This includes, firstly, their support of the empowerment of Sunni Arabs and Kurds in Iraq to counterweigh Iran's increasing influence. Secondly, their agreement on Syria, that regime change could directly affect the regional balance of power. Thirdly, the emergence of the ISIL and its rapid expansion, which posed a threat to their security and created a common interest in countering it. Fourthly, the Yemen war, which initially gained Turkey's support and raised the hopes of forming an alliance to counterbalance Iran and enhance economic partnership. Despite that, its policy has shifted from supporting the military action to calling for a peaceful settlement.

Chapter Four will analyze the division among the GCC states and Turkey and their competing agendas in the region. This rivalry was raised mainly between Turkey and Qatar on the one hand and Saudi Arabia, the UAE and Bahrain on the other. Their clash of perceptions and interests has intensified towards a number of significant issues such as Egypt, the Muslim Brotherhood, Libya and Iran. In addition, the Gulf crisis escalated their competition and raised questions over the impact of Turkey's military base in Qatar on its relations with other GCC states. The murder of Khashoggi in October 2018 also shows how the affair directly affected Turkish-Saudi relations. The chapter will explore how the contest between Turkey and some GCC states, particularly the UAE, has extended to the Horn of Africa. Finally, it will explore how the Iran factor, which was a motive of potential

alliance between the GCC and Turkey, lost much of its importance, and has become another cause of division.

Finally, *Chapter Five* will summarize the findings of the study. It will also raise questions over the future of GCC-Turkish strategic partnerships. It will outline some procedures or ideas that may need to be taken into account to make convergence possible again.

CHAPTER ONE

THE RISE OF THE GCC STATES' REGIONAL ROLE AND TURKEY'S POSITION IN THEIR PERCEPTIONS

The Gulf, at present, has great geopolitical significance. It lies between Asia, Europe and Africa and at the crossroads of maritime trade. It also has an increasingly strategic economic position, with more than one-third of the world's oil and gas reserves, all while its states possess large financial assets and foreign investments. The Gulf is no longer only of interest for the Western developed countries, but also for the emerging economies of the East, including Turkey.

The establishment of the GCC in 1981 was an expression of the desire of its founding states (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE) to achieve economic integration and balance both security threats and the emerging regional powers such as Iraq and Iran. Recently, the GCC economies have been among the fastest-growing in the world. The accumulation of financial surpluses resulting from oil and gas exports has increased their roles regionally and internationally. Although the GCC has reflected a common desire for collective action, its individual states have risen as leading actors in Arab politics, especially Saudi Arabia, Qatar and the UAE, and sometimes this has led to intra-competitions.

The GCC states also face many challenges and threats from regional powers as well as sub-state actors. To strengthen their position in the regional balance of power and to counter threats, they sought alliances with great and regional powers. In this way, the GCC states view Turkey as an emerging economic and political power. But perceiving Turkey as a regional partner is based on the degree of convergence on its policies with those states and on common interests.

This chapter will discuss the GCC states' growth and their perceptions of Turkey. It consists of two sections. The first will examine the circumstances leading to the formation of the GCC alliance, its objectives and its common

characteristics. It will trace the economic and geopolitical rise of the GCC and its assertive roles that have steadily developed to shape Arab politics, particularly since the Arab Spring. In this regard, it will also focus on the leading actors. The second section will explore the position of Turkey in the GCC states' perceptions as both an economic partner and, for a while, a potential regional ally, despite the occasional disagreement on some regional issues.

The rise of the GCC states' regional roles

The regional proactivity of the GCC states is a result of their growing capabilities as well as the changing dynamics in the regional political landscape. This section analyzes such a substantial shift through tracing and analyzing the GCC alliance genesis, the economic growth of its member states and their growing regional roles.

The GCC genesis

The GCC was founded in May 1981 to encourage economic integration, promote cooperative security and balance emerging regional threats. The objectives of the organization have been outlined by article four of the founding Charter. It focused on economics, education and culture, with the aim of achieving "coordination, integration, and inter-connection between Member States in all fields in order to achieve unity between them." It also aims at fostering relations and areas of cooperation including economic affairs and natural resources.[1]

Obviously, the Charter focused on economic cooperation to strengthen intra-relations and achieve unity. This sought-after objective overlaps with the functional approach, which argued that cooperation in common areas would lead to political convergence and the transfer of more authority to regional organizations.[2] Despite security issues not being mentioned in the Charter, military cooperation has become an important area for the GCC states.[3] The Ministerial Council, held in September 1981, called for taking

[1] The Cooperation Council for the Arab States of the Gulf (GCC), *The Charter* [In Arabic: Al-Nizam al-Asasi], May 25, 1981, accessed November 11, 2018, https://bit.ly/34zyYqT.
[2] Philippe C. Schmitter, "Ernst B. Haas and the Legacy of Neofunctionalism," *Journal of European Public Policy*, Vol. 12, No. 2 (April 2005): 257.
[3] Joseph A. Kechichian, "The Gulf Cooperation Council: Search for Security," *Third World Quarterly*, Vol. 7, No. 4 (October 1985): 854.

immediate and effective steps to "strengthen political and security coordination." The major objective is the improvement of member states' security arrangements by integrating their military capabilities.[4] Therefore, they established a joint force, the Peninsula Shield Force (PSF), in October 1982.

A decade earlier, many major developments and threats had a profound impact on the Gulf states' perception of regional security. These circumstances led to the formation of an alliance to defend their security and coordinate policies and developmental plans. First, the successful implementation of the oil embargo in 1973-74 and the Organization of the Petroleum Exporting Countries' (OPEC) decision to raise oil prices showed that they could amass influence if they coordinated their policies. The accumulated surplus capital, because of new oil prices, encouraged the Gulf states to look for greater cooperation.[5] Secondly, the fall of the Shah's regime in Iran in 1979 brought to power, through revolution, an Islamic and anti-monarchy regime. The Iranian revolution was a decisive turning point, shifting relations to overt tensions.[6] The Gulf states shared with the Shah an interest in maintaining the status quo after the withdrawal of United Kingdom (UK) forces from the area in 1971. The Iranian revolution, however, swept away this relatively stable situation and the monarchies in the Gulf thought they would also be threatened. Thirdly, the Soviet military intervention in Afghanistan in December 1979 further intensified the security concerns of the Gulf states. The latter thought that the Soviets were marching towards the warm water in the Gulf as well as strengthening their ties with the pro-Soviet states in the region. Finally, when the Iran-Iraq war broke out in September 1980, the general impression was that Iraq would impose a quick victory on Iran, which would curtail its ideological threats. This did not happen, and the war ended in stalemate. This raised fears in the Gulf states of the war's spillover effects.[7] Therefore, they called for the formation of a collective framework among them.

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[4] Hasan-Askari Rizvi, "Gulf Cooperation Council," *Pakistan Horizon*, Vol. 35, No. 2 (1982): 33.
[5] Ibid., 30.
[6] Sanam Vakil, "Iran and the GCC: Hedging, Pragmatism and Opportunism," *Research Paper*, Chatham House, Middle East and North Africa Programme (September 2018): 4, accessed July 14, 2019, https://bit.ly/3fzX0IB.
[7] Ibid., 4-5; Rizvi, "Gulf Cooperation Council," 30-31; Kechichian, "The Gulf Cooperation Council," 853.

Indeed, Iraq and Iran had been excluded from the GCC. The Iraq-Iran war gave a reason for the GCC states to separate themselves from their Baathist neighbor.[8] They emphasized that this regime did not share economic and political features with their conservative systems.[9] Iraq had considered the GCC as an instrument established to curtail Baghdad's influence in the Gulf region.[10] On the other hand, Iran is often perceived by the GCC states as responsible for promoting discontent among the Shiite community in the Gulf, whereas Iran has always had the opinion that the GCC meant to maintain foreign powers' (mainly US) interests in the Gulf to subvert the Iranian revolution.[11]

Therefore, the emergence of the GCC gives credit to the balance of threat theory. The level of external and internal threat to their sovereignty persuaded GCC leaders to pursue the protection of a regional organization and to provide common security for the Gulf.[12] Stephen Walt stated, "The formation of the Gulf Cooperation Council following the Iranian revolution reveals the same tendency for states to seek allies to oppose external threats."[13] In addition, the withdrawal of the UK in the early 1970s and the filling of the strategic void by the US encouraged the Gulf states to create an allied regional entity. These two great powers sought to prevent any international or regional power from being denied access to their vital energy interests. According to Hans Morgenthau, "Control over them [the Gulf states] traditionally has been an important factor in the distribution of power, in the sense that whoever is able to add them to his other sources of raw materials [oil] adds that much strength to his own resources and deprives his competitors proportionately."[14] The GCC states also sought,

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[8] David Priess, "The Gulf Cooperation Council: Prospects for Expansion," *Middle East Policy*, Vol. 5, No. 4 (January 1998): 22-23.
[9] Kechichian, "The Gulf Cooperation Council," 868.
[10] Ibid., 880; Letter dated November 8, 1978, from the Permanent Representative of Iraq to the United Nations addressed to the Secretary-General, "The Situation in the Middle East: Question of Palestine," Thirty-third session, Agenda items 30 and 31, United Nations, General Assembly, A/33/4oo, November 29, 1978, accessed April 12, 2019, https://bit.ly/2QI1i66.
[11] Rizvi, "Gulf Cooperation Council," 36-37.
[12] Kechichian, "The Gulf Cooperation Council," 876-877.
[13] Stephen M. Walt, "Testing Theories of Alliance Formation: The Case of Southwest Asia," *International Organization*, Vol. 42, No. 2 (Spring 1988): 313-314.
[14] Hans J. Morgenthau and Kenneth W. Thompson, *Politics among Nations: The Struggle for Power and Peace* (New Delhi: Kalyani Publishers, 1985 [1948]), 133.

through their new organization, to balance the threats of both Iran and Iraq, the emerging powers in the region.

Indeed, the GCC states possess common values and mutual identity.[15] They agreed on the construction of a common Gulf identity to counter the threatening ideologies in the Gulf. Their cooperation was not only sought for integration, but also to reinforce a Gulf identity.[16] The founding Charter referred to common characteristics and interests that solely distinguish the GCC states. It stated, "Being fully aware of the ties of special relations, common characteristics and similar systems founded on the creed of Islam which bind them; and desiring to effect coordination, cooperation and integration between them in all fields."[17] Mohammad al-Rumaihi, professor of sociology at Kuwait University, said:

> The GCC states are involved in many social elements. There is geographic proximity, the similarity of traditional production methods and the relations of kinship. Many Gulf Arab families have links with each other since internal migration in the past was common without any complications. Today, these states share oil and gas production, and various security concerns.[18]

John Duke Anthony, the founding president of the National Council on US-Arab Relations, considered the GCC states' common language and culture, similar history, compact geographic territory and common external threats to be the most influential factors in maintaining solidarity and cohesion.[19] They also have similar economic structures based on hydrocarbon exports and similar experiences of rapid economic development and industrialization. The GCC was perceived as an alliance because of the shared sense of *Khaleeji* (Arab Gulf).[20] This alternative identity could

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[15] Nur Cetđnoğlu, "The Gulf Cooperation Council (GCC) after the U.S. led Invasion of Iraq: Toward a Security Community?" *Uluslararaso Hukuk ve Politika*, Vol. 6, No. 24 (2012): 92.
[16] Linda Berger, "The Gulf Cooperation Council between Unity and Discord towards the Arab Uprisings," *Security and Peace*, Vol. 32, No. 4 (2014): 261.
[17] GCC, *The Charter*.
[18] Interview with Mohammad al-Rumaihi, Professor of Sociology at Kuwait University, April 1, 2019.
[19] John Duke Anthony, "The Gulf Co-operation Council," *International Journal*, Vol. 41, No. 2 (Spring 1986): 387-388.
[20] M. Evren Tok, Jason J. McSparren and Michael Olender, "The Perpetuation of Regime Security in Gulf Cooperation Council States: A Multi-Lens Approach," *Digest of Middle East Studies*, Vol. 26, No. 1 (Spring 2017): 152.

weaken Iran's ideological reach in their internal affairs.[21] Furthermore, a shared interest in maintaining monarchical rule produces solidarity among GCC ruling families.[22] Besides Jordan and Morocco, they are the only monarchial survivors in the Middle East. Just a few decades ago, the region fairly bristled with crowns. Iran's Shah did not fall until 1979, and kings reigned in Egypt until 1952, Iraq until 1958, Yemen until 1962, and Libya until 1969.[23] Thus, the establishing of the GCC reflected the desire of its members to cooperate to advance their common identity, interests and security.

Economic rise of the GCC states

Enhanced economic relations were one of the pillars of the GCC. The Charter and the Unified Economic Agreement (UEA) in 1981 focused on economic integration.[24] The Charter stated, "To formulate similar regulations in various fields including the following: Economic and financial affairs Commerce, customs and communications Education and culture."[25] The UEA aimed to reduce barriers to the movement of capital and labor within the GCC,[26] establish a common tariff on imports, and coordinate oil policies and monetary policies, including the ultimate adoption of a common currency.[27]

In 1983, the GCC launched its free trade agreement (FTA) to increase trade flows between member states.[28] In addition, a revised economic agreement was signed in 2001.[29] It listed specific steps to establish a GCC monetary union. The member states agreed to establish a customs union in 2005, a

[21] Berger, "The Gulf Cooperation Council between Unity and Discord," 261.
[22] Jeffrey Martini et al., *The Outlook for Arab Gulf Cooperation* (Santa Monica, Calif: RAND Corporation, 2016), 12-14; Berger, "The Gulf Cooperation Council between Unity and Discord," 261.
[23] Lisa Anderson, "Absolutism and the Resilience of Monarchy in the Middle East," *Political Science Quarterly*, Vol. 106, No. 1 (Spring 1991): 1.
[24] Martini et al., *The Outlook for Arab Gulf Cooperation*, 19-20.
[25] GCC, *The Charter*.
[26] Tok, McSparren and Olender, "The Perpetuation of Regime Security," 159.
[27] Kechichian, "The Gulf Cooperation Council," 865-866.
[28] Nasser Al-Mawali, "Intra-Gulf Cooperation Council: Saudi Arabia Effect," *Journal of Economic Integration*, Vol. 30, No. 3 (September 2015): 538.
[29] The Cooperation Council for the Arab States of the Gulf (GCC) Secretariat General, The Economic Agreement between the GCC States Adopted by the GCC Supreme Council, 22nd Session (December 31, 2001), Muscat-Sultanate of Oman, accessed January 22, 2019, https://bit.ly/2UeLHN8.

common market in 2007 and a single GCC currency in 2010.[30] While the GCC common market came into being in January 2008, there have been some setbacks to achieving the monetary union. Oman announced that it would not join the union by 2010, and in May 2007, Kuwait declared that it was moving from the dollar peg to an undisclosed currency basket, although it reaffirmed its commitment to join the union. The UAE also announced that it will not participate in the initial launch of the currency due to the disagreement over the location of the GCC Central Bank.[31]

Obviously, the GCC states have embarked on economic integration through collective agreements and institution-building that unite their efforts. It seems that they sought to achieve two goals: First, strengthen cooperation functionally through connecting people and political regimes with economic interests of mutual benefit to promote convergence and overcome differences. Second, the creation of a strong economic and political bloc that balances the neighboring regional powers' threats and increases the economic role of the GCC states in the global economy, especially with the increasing importance of their role in energy exports and thus the accumulation of financial wealth, as follows.

Oil: a main driver in advancing the GCC's influence

Hans Morgenthau has clearly defined the impact of oil on world politics and the advantages to producing-states in advancing their influence. He argued that oil has seemingly made these states important and even powerful factors in world politics. He added:

> [A] state that has nothing to go on by way of power, which is lacking in all the elements that traditionally have gone into the making of national power, suddenly becomes a powerful factor in world politics because it has one important asset—oil. [Such states] can exert enormous—and under certain conditions even decisive—power over nations.[32]

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[30] Emilie J. Rutledge, *Monetary Union in the Gulf: Prospects for a single currency in the Arabian Peninsula* (London and New York: Routledge, 2009), 6-7; The Cooperation Council for the Arab States of the Gulf (GCC) Secretariat General, Agreement Establishing the Monetary Union of the Cooperation Council for the Arab States of the Gulf (GCC Monetary Union Agreement), 2009, accessed January 22, 2019, https://bit.ly/2YOOStg.

[31] Al-Mawali, "Intra-Gulf Cooperation Council," 538.

[32] Morgenthau and Thompson, *Politics among Nations*, 134-135.

The nationalization of oil companies in the 1960s[33] and the unprecedented soaring of oil prices in the 1970s led to huge increases in the financial incomes of the Gulf states.[34] Today, the GCC states have 40 per cent of world oil proven reserves or 527.6 billion barrels and 23 per cent of natural gas proven reserves or 1,378.7 trillion cubic feet. In 2019, the GCC states contributed to world oil production with 21.88 million barrels daily as well as 425.4 billion cubic meters of natural gas (see Table 1-1).

Table 1-1 **GCC oil and natural gas reserves and production (2019)**

Country	*Oil reserves (Billion barrels)*	*Gas reserves (Trillion cubic feet)*	*Oil production (Million barrels/day)*	*Gas production (Billion cubic meters)*
Bahrain	0.124	2.7	0.205	16.5
Kuwait	101.5	59.9	2.996	18.4
Oman	5.4	23.5	0.971	36.3
Qatar	25.2	871.6	1.883	178.1
Saudi Arabia	297.6	211.3	11.832	113.6
UAE	97.8	209.7	3.998	62.5
Total	*527.624*	*1,379.7*	*21.885*	*425.4*

Source: BP Statistical Review of World Energy, 2020, 69th edition, 14, 16, 32, 34, accessed February 1, 2021, https://on.bp.com/2Px5B4q; "Bahrain Overview," The Energy Year, accessed February 1, 2021, https://bit.ly/2O1Aa1x

[33] Nationalization is the process of transforming the private property of the means of production into collective ownership, with the aim of achieving public interest. The nationalization of oil companies started in the Gulf by confiscating oil production operations and private property to obtain more revenue. For instance, in 1973, Saudi Arabia bought a 25 per cent interest in the US oil company (Aramco), increasing that interest to 60 per cent the following year. In 1980, Riyadh increased its interest in Aramco to 100 per cent, and in 1988, it changed the Company name to Saudi Aramco. See: "Our history: Driven by the curiosity to explore," Saudi Aramco, accessed August 3, 2019, https://bit.ly/2FMpRbc; "Nationalization," [In Arabic: Ta'amim], marefa.org, accessed August 3, 2019, https://bit.ly/31jMHia; Edward L. Morse, "A new political economy of oil?" *Journal of International Affairs*, Vol. 53, No. 1 (Fall 1999): 4.

[34] Bessma Momani and Crystal A. Ennis, "Between caution and controversy: Lessons from the Gulf Arab states as (re)emerging donors," *Cambridge Review of International Affairs*, Vol. 25, No. 4 (2012): 608.

With the increase in hydrocarbon reserves and production, the GCC states hold a key position in the global economy.[35] George Abed, the Institute of International Finance's director for Africa and the Middle East, felt that, "while the oil sector will remain the principal driver of the economies of the region, there are also important drivers toward diversification, especially in the larger, more populated countries."[36] Economic diversification efforts have led to the emergence of other vibrant sectors such as agriculture, commerce, construction, banking, manufacturing, telecommunications, transportation, tourism and social services.[37]

The GCC's growing financial power

With the increase in oil prices, the GCC governments amassed a huge amount of capital that will play a greater role in world markets.[38] The GCC states are ranked among the most powerful economies. The World Bank's GDP rankings for 2019 indicate that Saudi Arabia had a GDP of $793 billion, the UAE was at $421.1 billion, and Qatar was at $183.4 billion; their global rankings were 18, 29, and 53, respectively.[39] Table 1-2 shows that the GCC states have achieved enormous economic growth since the GCC's inception. The total GDP has increased more than six-fold from $260.5 billion in 1981 to $1,647 billion in 2019. The GDP per capita has had an average growth of $18,197 in 1981 to $32,883 in 2019.

The value of GCC export earnings reached about $481.3 billion in 2020, of which oil and gas constitute the main commodities. The GCC imports have also grown significantly, increasing to $431 billion in 2020. The GCC's total foreign trade of $912.3 billion is considered to be a huge contribution to world trade compared to such small states, as shown in Table 1-3.

The trade among the GCC states has grown nearly twenty-fold since its establishment. It was worth around $5 billion in 1983 and has increased to more than $100 billion. However, it remains relatively low. It made up about 10 per cent of the GCC's total foreign trade ($912.3 billion) in 2020. It is

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[35] Tok, McSparren and Olender, "The Perpetuation of Regime Security," 155.
[36] Pamela Ann Smith, "GCC foreign wealth rises to $2 trillion," *The Middle East*, No. 388 (April 2008), accessed November 18, 2018, https://bit.ly/2SfP7d4.
[37] Serhan Cevik, "Without Oil, How Do Gulf Countries Move? Non-hydrocarbon Business Cycles," *Journal of Economic Integration*, Vol. 29, No. 2 (June 2014): 245.
[38] Smith, "GCC foreign wealth rises to $2 trillion."
[39] World Bank, "Gross domestic product 2019," accessed February 28, 2021, https://bit.ly/37Q01jV.