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The Political Economy of a Transnational Elite in the [Persian] Gulf Cooperation Council (GCC)

Abstract

Transnational elites are sometimes considered a dominant political and economic force in shaping the global economy. Their impact, however, may differ from one region to another. This article analyzes the transnational elites in the [Persian] Gulf Cooperation Council (GCC) in order to determine the regional and global significance of their political and economic power. Three factors are important in this regard. The first is the significant role played by petrodollars controlled by the GCC's transnational elite. The second factor is the visible participation of the Western educational system in the GCC. The third factor is the presence of a transnational working class in the Persian Gulf. Finally, the article will conclude with a brief discussion of how the GCC national economies are integrating into the global economy through the transnational accumulation of capital in the region.

Keywords

Transnationalization, GCC, Transnational Elite, TCC

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Cover Page Footnote

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At the earliest stages of the GCC's recent economic growth, a consultant and journalist, Michael Field, traveled to the Arabian Peninsula. He then wrote about his experience in his 1984 book "the Merchants, The Big Business Families of Saudi Arabia and the Gulf States." A keen observer of socioeconomic structures, Field wrote: "[T]he merchant families are part of the Arabian establishment. They dominate Arabian commercial life and they have been responsible for as many economic innovations as the governments. They have established most of the new Arabian investment banks, light industries and high technology service companies. In the Gulf States, which have a tradition as trading communities, the merchants are the most valued constituents of the ruling families; their senior members are consulted on most important domestic political issues. In both Saudi Arabia and the Gulf states the merchants serve the ruling families in government." (Field, 1984, P.11)

In this paper, I provide an overview of the dynamics within the current structure of capital accumulation in the GCC. One integral part of these dynamics has been the evolution of the relationship between Western powers, mainly the U.S. and the U.K, with the GCC states. Therefore, I use the first section of this research to examine the strategies adapted by Western powers in dealing with the GCC states and the emerging role of GCC transnational elites, and some of the reasons and interests behind these strategies. The second component of this analysis deals with the domestic setting of the GCC states in order to explore the other side of the structure of capital accumulation as well as the role and characteristics of the GCC transnational elites.

Much of the literature on the Middle East focuses on either institutional arrangements or culture. There have been few attempts to analyze the relationships that Middle Eastern political and economic elites have developed with global elite networks. This work represents a significant departure from contemporary scholarship by analyzing the extent to which Middle Eastern elites within the Gulf Cooperation Council (GCC) are linked to the Transnational Capitalist Class (TCC) in the rest of the world economy. The transnational capitalist class (TCC) is composed of actors who derive their wealth and power from ownership of production or financial activities on a global scale. Indeed, the argument advanced here is that Middle Eastern elites have been integrated within a global transnational class that has disproportionate power and influence within the world system. on the other hand, this global structure of accumulation is tied to the maintenance of a repressive state apparatus in the GCC.

In contrast to mainstream claims, in the GCC little evidence seems to exist showing that a greater level of economic integration has led to greater domestic freedoms. In other words, political coercion in the Middle East is central to global capitalist profits and the social structure of accumulation in this phase of global capitalism in particular. Arguably, the TCC has grown more dependent on authoritarian institutions and centralized governance in the Middle East over time. Thus, economic liberalization does not equate to political liberalization but instead sometimes requires its opposite (i.e. authoritarian structures that provide maximum space for transnational class interests to profit). Accordingly, greater integration of the Persian Gulf Arab states into the global economy and the removal of trade barriers have solidified the position of the regional transnational elites, which in turn has stabilized authoritarian regimes in the sub-region.

The issue of stability of the sub-region's monarchies is worth closer attention. Generally speaking, global capital has increasingly viewed the maintenance of the status quo in the Persian Gulf sub-region as a primary concern. In the words of Adam Hanieh, a key strategy of global capital has been "prioritizing the status quo and seeking to block any possibility of regime change" (Hanieh, 2011, P.176). This is not surprising given the conventionally accepted notion that capital often seeks security, without much concern about what the source of that security may be. The more-than-accidental relationship between the authoritarian status quo in the Persian Gulf sub-region and the highly globalized economic systems of this sub-region is a serious challenge to the neo-liberal account of global dynamics. Table 1 below helps to illustrate the seemingly paradoxical situation in the Persian Gulf sub-region, if one is to accept the neo-liberal perspective.

Country	Economic Freedom Index	Ranking	PR	CL	Status	Average of CL and PR
Oman	68.1	45	6	5	NF	5.5
Qatar	71.3	27	6	5	NF	5.5
Saudi Arabia	60.6	82	7	7	NF	7
Kuwait	63.1	66	5	5	PF	5
UAE	71.1	28	6	6	NF	6
Bahrain	75.5	12	6	6	NF	6
GCC	68.28		6	5.6	NF	5.8

Table 1: Freedom Status of GCC states
 (PR: Political Right, CL: Civil Liberty, NF: Not Free, PF: Partly FREE)
 Source: Freedom House and the Heritage Foundation, 2013

In the Freedom House categorization, when a freedom rating for a country is between 5.5 to 7.0, the country is considered as "Not Free". According to Table 1, the status of Persian Gulf Arab states are among the top 25 percent of "Not Free" countries. On the other hand, with the average Economic Freedom Index of 68.28, these countries are among the top 25 percent of the world's free economies. It may be added that Polity IV Project also categorizes the sub-region's six monarchies as autocracies (rather than constitutional monarchies).

As for the issue of stability, Table 2 provides the Failed State Index for all the countries within the GCC. The Failed State Index is often relied on as a relatively accurate indicator of the level of stability in various countries. In 2012, this Index was measured for 178 countries "based on their levels of stability and the pressures they face". (The Fund for Peace, 2012, P.3)

Country	Failed State Index	Ranking
Oman	51.7	137
Qatar	48	142
Saudi Arabia	73.4	100
Kuwait	58.8	128
UAE	48.9	140
Bahrain	62.2	125
GCC	57.16	

Table 2: Level of Stability in GCC states
Source: www.failedstatesindex.org, 2012

According to Table 2, the Persian Gulf Arab states are among the top 27 percent of the most stable countries in the world (where the lower rank means more stability). The high level of stability holds true today, even despite the recent “Arab spring”, which has shaken the sociopolitical structure in the rest of the Arab world. To better grasp the significance of stability within the GCC, it is useful to consider the immediate neighbors of the GCC members and how they score when it comes to stability. Table 3 provides the figures based on the same Failed State Index. According to these numbers, the rest of the Middle East is among the 20 percent most unstable countries in the world.

Country	Failed State Index	Ranking
Egypt	90.4	31
Iran	89.6	34
Cyprus	66.8	115
Iraq	104.3	9
Israel/West Bank	82.2	61
Jordan	74.8	90
Lebanon	85.8	45
Syria	94.5	23

Turkey	76.6	85
Yemen	104.8	8
Average	89.98	

Table 3: The Level of Stability in the rest of Middle Eastern States
Source: www.failedstatesindex.org, 2012

Arguably, one of the outstanding questions when it comes to the nature of these authoritarian regimes is how they have managed to juxtapose a traditional ruling system with certain forces of modernization that are often considered as causes of instability in non-democratic regimes. Many authors and commentators have correctly paid attention to the domestic factors leading to the considerable level of stability in these six countries. Yet, the picture remains incomplete unless one takes into account the international factors, which are often channeled through the transnational elites

The Historical Evolution

Many major world powers have long identified the GCC as an important geostrategic location. Great powers have also sought to carve out new markets for themselves as well as to control important trade and military routes throughout this region. For example, “the principal impetus for initial British entry into the Gulf was a combination of a search for markets and an effort to deny European rivals supremacy in the region” (P.278, Potter, 2009). In fact, the Persian Gulf and its Arab states have long been among the most significant geostrategic regions for great powers. Beginning with the early sixteenth century, for around two centuries, the Persian Gulf was part of “Portugal’s Asian Empire” (P.208, Potter, 2009). The geostrategic appeal of the region along with the economic interests in finding new markets attracted the Dutch and the Ottomans as well. More recently, the context of the great power competition in the Middle East has changed from a colonial to a post-colonial one. Even more recently, the post-colonial intrusion of great powers into the region has been shaped by a globalization of the transnational capital, in which, “a key aspect in the globalization is transnational class formation” (Robinson, 2001, P.533).

Following the demise of classical imperialism, and during the post-colonial era, the legacy of imperialism has reemerged in various informal economic activities. A key feature of these economic activities is that they “are not regulated, monitored or controlled directly or indirectly by the states”(Routh, 2011, P.211). Such informal economic activities, partly facilitated by a series of international institutions such as the International Monetary Fund (IMF) and the World Trade Organization (WTO), have accelerated new patterns of structural involvements of the great powers in other regions’ affairs. In the past few decades, arguably the most noticeable economic structure that “informal imperialism” has manifested in its various political, social and economic aspects has been the “transnational space”. Under the currently mainstream process of capitalization, the transnational space has appeared as the most preferential climate for transnational capital –i.e. “[t]he hegemonic fraction of capital in a world scale” (Robinson, 2003, P.39). This space also lends itself quite well to the informal economic activities, and especially those that rely on cheap labor and raw materials.

In the Persian Gulf, Great Britain has been the pioneer among the great powers that paid attention to the significance of local elites for its imperialist goals in the region. This is one of the reasons that decades after the apparent end of the British colonial presence in the region, that country still exerts a strong influence on almost all of the smaller Persian Gulf Arab states. From the earlier stages of the British imperialism, the British designed the structure of their relationship with the “protected” states of the GCC in such a way that informal imperialism was embedded in the GCC elites:

“[w]hen Britain thought it necessary to replace a sitting shaikh, it preferred to work behind the scenes and within the ruling family. In 1923, Britain forced the abdication of Shaikh Isa b. Ali Al Khalifa in Bahrain and his replacement by his son Hamad b. Isa in order to institute what it believed to be long-overdue reforms in the country. In 1965, members of the ruling Qawasim family in Sharjah were encouraged to depose Shaikh Saqr b. Sultan, a thorn in the British side because of his admiration for pan-Arab nationalism and ties to Gamal Abdel Nasser and the Arab League. In 1966, Britain prodded Shaikh Zayid b. Sultan Al Nahyan to remove his long-serving brother Shakhbut, who was clearly unsuitable to govern an oil-era state. In 1970, Britain encouraged young Sayyid Qabus b. Sa‘id to overthrow his father as Sultan of Oman” (Potter, P.283, 2008).

In the early 1970s, after the Great Britain reduced its military and security engagement in the Persian Gulf, the U.S. began to fill the vacuum. In particular, the U.S. wanted to rely on surrogates (or “key allies”) to ensure that oil would be delivered to the West in an uninterrupted manner. Iran and, to a lesser extent, Saudi Arabia played the role of key regional allies for the U.S. That arrangement did not last, however, due to the political changes in Iran and the Iranian Revolution of 1979 (Potter, P.295, 2008). Following the Iranian Revolution, for the first-time the U.S. announced that it would use its own armed forces to protect the “global” (i.e. the West’s) access to oil, instead of relying on the allies in the region. This was a major strategic change for the U.S. and for the region as well. The policy is known as the Carter Doctrine. President Carter chose these words in explaining the new American strategy vis-à-vis the region: “Let our position be absolutely clear: An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force” (Stoles, 2010, P.27). The Carter Doctrine paved the way for the contemporary mode of American militarism in the region; and due to the connection to oil from the outset, the Doctrine is closely tied to the deeper integration of the region into the global economy. Therefore, the Carter Doctrine could be viewed as a dividing line, which marks the deeper integration of the region into the globalized structure of transnational production. This was a fit to the familiar pattern in oil-rich regions in global south, where “transnationalization is bolstered by militarization” (Stokes, 2010, P.3). Not surprisingly, the combination of American strategy and the GCC’s acquiescence with it has led to the repeated use of force and the strong presence of repressive state apparatus in the GCC region.

Following the implementation of the Carter Doctrine, the level of integration between the West and the Persian Gulf region –with the important exception of Iran– has increased dramatically. Subsequently, the nature of the integration has shifted from international ties to transnational ties. In other words, there has been a deepening of military, economic and social

ties between the two sides that took place before the end of the Cold War. Even though the end of the Cold War has often been seen as a more dramatic transformation toward further transnationalization, the GCC region had already well advanced in transnationalization when the Soviet Union collapsed. Nevertheless, the transformation expedited after the collapse, partly due to the very fact that the Soviet Union no longer existed in the 1990s. On the other hand, after the long-term suppression of the leftist and nationalist movements, there were no significant domestic voices that would call for regulation of capital so that local socio-economic structures could emerge. This suppression of anti-capitalist voices in the region had been supported long before even the Iranian Revolution by western military powers. In fact, as an element of the Carter Doctrine, the Rapid Development Force (RDF) was formed in order to protect the U.S. interests in the region and to fight against any threats to those interests. The most notable threats that were identified and targeted by RDF were the leftists and nationalists movements that had the potential to bring about a regime change (Stokes, 2010, P.91). To counter such movements, generous military supports were offered to the ruling elites. For instance, Saudi Arabia, the most powerful GCC state, has remained as “one of the least free countries in the world, with political and economic power held by a very small ruling elite. Because this rule largely rests upon American military support and such support is contingent upon the free flow of oil, U.S. and Saudi interests have remained deeply entwined throughout the postwar era” (Stokes, 2010, P.88).

Throughout the process of transnationalization of capital, an emerging tendency appears to be creating local elites that have fewer and fewer ties with domestic institutions. In this context, the ruling legitimacy will gradually decline while the “citizenry are becoming effectively non-sovereign” (Mair, 2006, P.25). It is, in fact, the nature of transnational globalization that creates non-sovereign citizenry along with transnational rulers. Thus, it is not surprising that the resulting delegitimized elites need to be protected by the use of force given potential socioeconomic unrest that ensue such an unstable state-society relationship. As a result of this scheme, the U.S. continues “to put significant effort into protecting the region’s oil infrastructure and bolstering the capacities of pro-US elites to stabilize their respective territories and repress challenges to U.S. interests” (Stokes, 2010, P.100).

To summarize, as a consequence of both deepening economic integration and geopolitical calculations, the role of the Persian Gulf –both as a region and as a collection of states– in shaping global power balance within capitalism remains crucial today. The economic decision of the GCC states in regard to other countries (e.g. in the areas of foreign trade and investment) has also added to the complexities. For instance, the economic rivalry between the U.S. and China in acquiring more and more economic benefits from the region has become an integral part any economic and geopolitical analysis of the region. Thus, there are two dimensions: first is the GCC states’ own economic decisions and behavior; second is the international economic context of those decisions and behaviors. In the following section I will discuss how the GCC states’ economic behavior has evolved toward transnational economic activities, heavily influenced by the transnational capitalist principles.

The Emergence of a GCC Transnational Elite

Historically, the capitalist economic structure of the GCC states has been developed through the particular transnational ties between the GCC and the rest of the world economy. In order to investigate the nature and impact of transnational economic interactions between Western powers and the GCC states and the evolution of these interactions, it is important to pay

attention to the essential characteristics of the very institution of “state” in the GCC countries. In fact, the influences of old and well-established commercial merchant families have been quite significant in the political hierarchies of the region from the before the foundation of modern states in the Arabian Peninsula. In terms of the historical structure of the societies and that of politics, Lawrence Potter observes that the “tribes were the key to forming modern states in the Arabian Peninsula, and the dynasties presently ruling there are all of tribal origin” (P.2, Potter, 2009). These tribes were originated based on family and blood ties. The resulting political structure has been what Field observed some three decades ago about the significant role of merchants as important actors in ruling “families”. As a result, important families and influential wealthy individuals in these families have become the most significant actors in the interactions between the West and the GCC states. Many of these families have been both merchants and rulers at the same time. For the most part, the merchant-ruler combination applies to most GCC ruling families today. On the other hand, unlike many other monarchies where the ruling family came to power by controlling a pre-existing state, the GCC ruling families themselves created the very institutions comprising the modern state over which they reign. Accordingly, there is a quite blurred line between the institution of “royal family” and that of “state” in the GCC countries. On the other hand, the mode of GCC governance appears to offer a modern/traditional dichotomy-i.e. a modern state with tribal origins. This dichotomy has manifested in numerous ways in the process of capital accumulation. In particular, the dichotomy provides gaps and “breathing spaces” that facilitate the emergence of the GCC-based transnational elites.

One of the central arguments presented in this paper is that the roles played by the transnational elites of the GCC are crucial in analyzing socio-economic and geopolitics of this region. The GCC elites, almost all of whom coming from politically influential and economically wealthy families, are by far the most important agents in the political economy of the GCC. During the past few decades they have also become important players in global structure of capital accumulation. The GCC elites are directly connected to transnational economic activities as a “class-in-itself”, meaning that these elites are important to facilitating the global accumulation of profits. In other words, in modern times, the relationship between the western powers and the GCC states has been contextualized in the development of global capitalism and the current pattern of globalization of transnational capital; the relationship resembles that of inter-corporate –rather than inter-national– affairs highly influenced by the struggles within the Transnational Capitalist Class (TCC). It may be added that “[g]lobal capitalism is not a collection of ‘national’ economies but the suppression through transnational integration of ‘national’ economies understood as autonomous entities related through external exchanges to other such entities” (Robinson, 2001, P.533). However, the GCC transnational elites have penetrated the process of decision-making to the extent that the class is politically subordinate to the TCC.

It is common among many scholars who work on the GCC that they consider the GCC elites as nationally- and/or internationally-oriented actors. It is perhaps true that, at the beginning, the “elites” in the Arabian Peninsula had been internationally oriented. During the past two decades, however, any inter-national characteristic of these elites has dramatically changed towards “transnationally oriented” elites. Arguably, what ushered in this new transnational character of the GCC elites was the role of oil and its commercialization in the region.

Natural resources such as oil have existed for a long time in this region; and its existence and the ability of the local GCC elites to profit from its exploitation goes back to the time when these elites were international elites. What has happened more recently, however, is that the

GCC elites have developed a much more embedded relationship with the global TCC through such arrangements as expanded investment linkages (especially in finance and oil). Therefore, these elites no longer simply function as reliable producers of oil that is sold in the world markets. Instead, the GCC elites are the key piece of an oil production and financial supply chain that renders them as partners with Western TCC firms. Nevertheless, one of the most significant characteristics of these elites remains the fact that they have emerged throughout oil-based economic activities.

The emergence of transnational actors in the GCC region is not a phenomenon that happened in isolation from the general process of transnational globalization. Neither has it been separated from the particular development of transnationalization that has taken place in the Persian Gulf. In terms of transnational globalization, it appears necessary to analyze the concept based on transnational practices (TNPs), i.e. practices that different actors (including states) are engaged in throughout the process of globalization. Understanding of the notion of transnational globalization is crucial in analyzing the GCC. Elaborating this conception of globalization, Sklair writes:

“The transnational conception of globalization postulates the existence of a global system. Its basic units of analysis are transnational practices (TNP), practices that cross state boundaries but do not originate with state agencies or actors. Analytically, TNPs operate in three spheres, the economic, the political, and the cultural-ideological. The whole is the global system. While the global system is not synonymous with global capitalism, what the theory sets out to demonstrate is that the dominant forces of global capitalism are the dominant forces in the contemporary global system” (P.69, Sklair, 2000).

Increasingly, the GCC economy has been steered toward transnationalization with the significant role of transnational practices (TNP) within this region. Transnational practices are the “practices that cross state boundaries but do not necessarily originate with state agencies or actors” (P.2, Sklair, 1998). For structural reasons, TCC interests are tied to transnational practices rather than to local economic activities. A significant part of the political economy of the GCC countries is based on the economic activities of TNCs, rather than any domestic or national industrial, high-tech or service sections. The direct link between the GCC states and TCC is, therefore, obvious, as it is the members of TCC that control transnational corporations and TNPs. On the other hand, TCC has to exert more and more power on national institutions in order to protect and enhance its role and interests.

The GCC states continue to play a significant role in the process of transnationalization. Under the process of transnational globalization, understanding the dynamics within states and state institutions in these countries is crucial for our purpose. In particular, in order to properly understand the extent and the nature of TNPs in the GCC, one must pay attention to the notion of “Transnational State”. Robinson offers three (interrelated) propositions for the concept of state based on “historical materialist conception of state”:

“1) economic globalization has its counterpart in transnational class formation and in the emergence of a transnational state (henceforth, TNS) that has been brought into existence to function as the collective authority for a global ruling class; 2) the nation-state is neither retaining its primacy nor disappearing but becoming transformed and

absorbed into this larger structure of a TNS; 3) this emergent TNS institutionalizes a new class relation between global capital and global labor” (P.158, Robinson, 2001).

The transnationalization that has taken place in the GCC region relies on three historical facts. The first is that enormous oil and gas resources, which in turn have invited a host of transnational corporations to this region, have led the political economy of the GCC to be shaped, to its very core, by transnational practices. This is to the extent that demarcating “national” economies in this region has become an extremely difficult –if not impossible– task. The “transnationalization” has occurred in two (related) directions. First, there are the transnational practices by outside entities in the GCC region, and second, there are the transnational practices of the GCC elites in other regions of the world. Meanwhile, and as the political economy of the GCC has been increasingly shaped by TNPs, so has its economic culture. The notions of production, wealth, economic activity, profit, labor and capital as well as social justice are understood (or ignored), therefore, from the perspective of TNPs.

Second is the fact that religious extremism became a major source for the legitimization of the ruling families. In the early 1960s, the World Muslim League (WML), and, even most importantly, King Faysal, then-ruler of Saudi Arabia, came to the conclusion that nationalism and socialism along with secularism were significant threats to Islam. As a result, religion emerged as a significant instrument at the disposal of the state to suppress anti-capitalist voices. Accordingly, the nationalism of the Nasser era gradually gave way to various forms of pan-Islamism (Prashad, 2008, P.260, 261). Therefore, only those conceptualizations of nationalism that weaved in the strong elements of religion could bring some degree of legitimacy for the GCC capitalist classes in the task of justifying their rule over their traditional societies. Such conceptualizations could, therefore, remove many domestic obstacles in the way of establishment of capitalist principles that were necessary for global capital accumulation.

Third is the historical formation of a new set of class relations. Some four decades ago, Fred Holiday had predicted the collapse of these authoritarian regimes due to the exploitive economic relations that would trigger high level of dissatisfaction among the lower classes in these six states. This prediction, however, did not materialize. This is mainly because of the later stage of the formation of current class relations. The current nature of the working class in these states appears to be much more complicated than what the classical framework of analysis allows for.

In all GCC countries, a relatively high percentage of the population consists of foreign working class who do not have any political voices whatsoever. These foreign workers often have no stable living condition, social security or economic perspective. As a consequence the neoliberal labour politics that has been adopted by GCC states had led to the emergence of transnational labour class. In fact, the emergence of transnational labour class could assist GCC-based capitalist class to defuse the pressure they might receive from local labour. This would insulate the state against a domestic pressure that could redirect the economic structure towards national objectives rather than TNPs’ goals.

At the same time, in none of these countries the Huntingtonian prediction of the middle class as the engine of socioeconomic change has been realized. Indeed, a general analysis of the middle class is rarely an accurate way to identify the characteristics of society and to predict its behavior. For instance, in terms of literacy, which is a major theme in analyzing the middle class, there are many factors that can contextualize the process of education. These factors impact the resulting middle class and the direction and strength of the “political will” they would wield to

bring about democratic changes. The difficulty with general middle-class analyses arises, in part, from the lack of accurate measurement indicia. For instance, it is unclear what level of schooling and college education in the GCC would be sufficient to create a viable push for democratic processes. On the other hand, in these countries it appears that the middle classes, by and large, consider their economic well being as dependent upon the ruling class. The GCC middle classes heavily depend on the rent channels that are provided and sustained by the royal families to maintain the status quo. This structure has been put in place over many past decades.

As a result, high percentage of indigenous people in the GCC “increasingly being distanced from the forces of production and thus sidelined into becoming a rentier class dependent on government subsidies, rather than a distinct proletariat or middle class” (P.6, Davidson, 2013). This phenomenon, of course, has been contextualized within a global context in which “TNS seeks to create and maintain the pre-conditions for the valorization and accumulation of capital in the global economy, which is not simply the sum of national economies and national class structures and requires a centralized authority to represent the whole of competing capitals, the major combinations of which are no longer "national" capitals”. (Robinson, P.167, 2001)

The renting channels that are controlled by the GCC transnational elites could bring about a new class formation through a series of what I call “semi-redistribution policies”. I use the term “semi-redistribution” because of the very fact that such policies have not decreased the gap among social classes in any notable way. As result, we may refer to the GCC states as ‘transnational rentier states’. This term refers to the political context in which these states have been transnationalized. The term also indicates the fact that, due to the rentier nature of the states, societies are prone to be subjugated to the decisions of the elites, including those decisions aimed at further transnationalization.

GCC Transnational Space

In the following sections of the paper I aim to explain the “GCC transnational space” that has been promoted by the GCC-based transnational elites and TCC. To do so, it is necessary to understand the major components of this transnational space. The first is the GCC Sovereign Wealth Fund (SWFs) that are significant financial institutions (reliable sources for TNPs) controlled by royal families. The second institution is GCC educational system that is heavily influenced by capitalist principles. Finally, the third major component of the analysis in this section is the GCC labour market.

Sovereign Wealth Funds (SWFs)

The first significant institution is Sovereign Wealth Fund. According to the International Working Group (IWG) of Sovereign Wealth Funds, SWF could be defined as “special-purpose investment funds or arrangements that are owned by the general government. Created by the general government for macro-economic purposes, SWFs hold, manage, or administer assets to achieve financial objectives, and employ a set of investment strategies that include investing in foreign financial assets” (P.49, Sultan and etc, 2012).

The GCC-based SWFs is arguably a clear manifestation of the “super national economic and political institutions that begin to acquire the characteristics of a transnational state” (Robinson, 2001, P.533). In GCC, the empirical evidence indicates that the conventional

explanations of SWF may be misleading. First and foremost, the process of decision-making in the GCC-SWFs transactions is by and large limited to the royal families. On the other hand, the way that SWFs' presence are formulated is that SWFs are to improve national economies by preventing the Dutch Disease or by preserving the benefits of natural resources for the future generations (e.g. through the use of the proceeds from those resources in improving the economic infrastructures of the country). In GCC, however, it is not clear that how much these funds engage in infrastructural development. This ambiguity arises in part from the fact that "they publish no accounts, provide inconsistent aggregate asset figures to the media, and say nothing about their investment strategies." [In addition to] these funds made a "very public contribution to propping up ailing U.S. banks during the acute phase of the 2008 global financial crisis" (Schwartz, 2012, P.519). Meanwhile, the Persian Gulf Arab states' SWFs are controlled by individual actors rather than public entities. As a result of this model of management, these funds appear to have become an important sources of capital for personal investments. Table 4 provides some basic information on significant SWFs in the GCC region that illustrate the enormous financial capacity of the GCC-based SWFs.

Country	Sovereign Fund Name	Assets as of 2012 (in Billion \$)	Inception	Origin
UAE- Abu Dhabi	Abu Dhabi Investment Authority	627	1976	Oil
Saudi Arabia	SAMA Foreign Holdings	532.8	n/a	Oil
Kuwait	Kuwait Investment Authority	296	1953	Oil
Qatar	Qatar Investment Authority	100	2005	Oil
UAE- Dubai	Investment Corporation of Dubai	70	2006	Oil
UAE-Abu Dhabi	International Petroleum Investment Company	58	1984	Oil
UAE-Abu Dhabi	Mubadala Development Company	48.2	2002	Oil
Bahrain	Mumtalakat Holdings	9.1	2006	Non-commodity
Oman	State General Reserve Fund	8.2	1980	Oil & Gas

Table 4: The GCC Sovereign Wealth Funds (SWFs)

Source: SWF Asset Allocation Report 2012, Conducted by Sovereign Wealth Fund Institute, Inc.

GCC-based SWFs are playing a crucial role in transnationalization of capital and (re)consolidation of the GCC transnational elites' power in TCC. For instance, according to the book, *New Post-Oil Arab Gulf*:

"KIA [Kuwait Investment Authority], which was established in 1953, is well known on the international scene, for its 7.1 percent stake in Daimler Chrysler dating back to 1969 and its 3.3 percent share in British Petroleum (BP). More recently, KIA made headlines

by becoming the largest investor in the Industrial and Commercial Bank of China (\$720 million) in 2006, followed by a combined \$5 billion investment in Citigroup and Merrill Lynch in late 2007/early 2008, among other investments.” (P.55, Sultan, 2012)

Interestingly, the mainstream centers of the transnational capitalist class have applauded the GCC states’ economic policies. According to an article produced in 1997 by the Middle Eastern Department of IMF: “The GCC countries have already completed most of the crucial stages of liberalization and financial reform”. This liberalization was succeeded by creation of many SWFs in the GCC that play an important role in returning petrodollars into the global financial market and by reinvesting it in mostly western countries. At the same time, these funds have appeared as the reliable sources of capital for many GCC-based financial sectors. These financial sectors can play a decisive role in financing the private sector of global economy by injecting large sums of cash into the system, mainly during the periods of financial crisis such as the 2008 crisis. Furthermore, the position of the GCC elites in the TCC has been strengthened by the segmentation of production according to neoliberalism. The GCC elites play a significant role in the global economy of oil and the financial transactions of petrodollars.

GCC Segmented Education System:

The Second Important institution is Education. The education system is not only important as an institution itself. It is also a good case to study that manifests the class relations in a transnationally oriented structure of GCC. On the one hand, many of the GCC elites are educated in top ranking private schools and colleges in the West. This is not surprising as the TCC members have “similar life styles”, including the “pattern of higher education” (Sklair, 2000). On the other hand, the GCC states embarked on ambitious educational programs that resulted in the establishment of many western-style schools and universities in the Arabian Peninsula.

It has been argued that “the more well-to-do a nation, the greater the chances that it will sustain democracy” (P.75, Lipset, 1959). In other words, many scholars of political change believe that democracy and economic development have positive correlation with each other. An economic development that could lead to industrialization, higher education systems, and urbanization can bring stability, which in turn is necessary for democratic system. Despite this mainstream theory of democratization, one cannot but notice that solid economic development, rapid process of urbanization and dramatic rise in the number of educational institutions in the GCC countries have produced the exact opposite result with the authoritarian regimes in this region enjoying a high degree of stability.

The GCC education systems that were originally designed by the TCC is one of the reasons behind the survival of repressive state apparatuses in the GCC countries. Arguably, one of the most significant aspects of the relationship between the GCC elites and TCC is the educational ties between the two, which has led to further cohesion between the two. The educational ties link the GCC elite firmly to the “social clubs” embedded within the TCC, while, at the same time, they use rents earned from their privileged status to either pay off, repress, or ideologically incorporate the majorities of their population.

The importance of the non-organic educational system in this region cannot be overstated. The non-organic educational system that ties the GCC elites to particular educational opportunities that are distinct and apart from their societies. This artificially imposed educational

system has been embedded and become more and more sophisticated in the past few decades. To provide a glimpse into the educational background of the GCC transnational elites, and how that background is irrelevant to the history and culture of this region, Table 5 provides some information about a number of most influential economic and political figures.

In terms of the domestic educational system, there are currently plenty of western-style schools in these countries. These schools have emerged in parallel with the immigration of many western nationals to the GCC for high-paying job opportunities. There are quite a number of formal and informal affiliations between Western educational intuitions and the GCC educational institutions. A main derive for these formal and informal affiliations appear to have been economic advantage to the Western institutions. Table 6 lists some of the western or western-style educational institutions in the one of the most globalized cities in the GCC, namely Dubai.

NAME	TITLE	ORIGIN	COMPANY	INDUSTRY	Education	Other Occupations
Sheikh Tamim bin Hamad bin Khalifa Al Thani	Emir of the State of Qatar	Qatar			Sherborne School, Harrow School, Royal Military Academy Sandhurst (RMAS) ¹	
Abdullah bin Nasser bin Khalifa Al Thani	Prime Minister of Qatar				Durham Military College	
Qaboos bin Said Al Said	Sultan of Oman				Royal Military Academy Sandhurst	
Hamad bin Isa bin Salman Al Khalifa	King of Bahrain				Leys public school in Cambridge	
Khalifa bin Zayed bin Sultan Al Nahyan	President of the UAE				Royal Military Academy Sandhurst	
Mohammed bin Rashid Al Maktoum	Prime Minister and Vice President of Dubai				Bell Educational Trust's English Language School	
Prince Alwaleed Bin Talal Bin Abdulaziz Al Saud	Chairman	KSA	Kingdom Holding	Finance	Menlo College, Syracuse University	"Citigroup's largest individual shareholder"
Sheikh Ahmed Bin Saeed Al Maktoum	Chairman	UAE	Emirates/Emirates NBD	Transport	University of Denver	"chairman of Dubai's biggest bank, Emirates NBD, and of Dubai World, the conglomerate that includes the world's third-biggest ports company, DP World".
Khalid Al Falih	CEO and president	KSA	ARAMCO	Industry	Texas A&M University	"Member of American Society of Mechanical Engineers (ASME), the International Association for Energy Economics (IAEE) and Oxford Energy Policy Club"
Ali Bin Ibrahim Al Naimi	Minister of Petroleum and Mineral Resources	KSA		Energy	American University of Beirut, Lehigh University, Stanford University	"Important role in oil supply decisions"
Mohammed Al Mady	CEO	KSA	SABIC	Industry	University of Colorado Boulder, The University of Wyoming, Honary Fellow of the London Business School	"member of the U.S.-Saudi Business Council, the Economic Offset Committee, and the International Business Council of the World Economic Forum. Mr. Al-Mady is a fellow of the London Business School".
Mohamed Ali Alabbar	Chairman and CEO	UAE	Emaar	Real Estate	Seattle University	"World Economic Forum (many times repeated UAE)."
Ahmad Al Sayed	Managing director and CEO	Qatar	Qatar Holding	Finance	University of Boston, New York University	"Harrods, London Stock Exchange, Porsche and Hochstein are a few of the emblematic companies that come to mind under his stewardship".
Dr Fahad Al Mubarak	Governor	KSA	SAMA	Finance	University of Houston	"was previously chairman and managing director of Morgan Stanley Saudi Arabia"
Mohamed Bin Issa Al Jaber	Chairman & CEO	KSA	MBI International	Real Estate	Honorary Doctor of Science degree from University of Westminster and City University	"is founder, Chairman and CEO of MBI Group, an international conglomerate which spans Europe and the Middle East. The Group is a worldwide investment institution operating in the hospitality, real estate, finance, oil and gas and food industries."

Table 5: The Educational Background of Major Economic and Political Figures in the GCC¹
Source: (See the Appendix)

¹ See the expanded version of Table 5 in appendix

School Name	Level	Curriculum	Qualifications
American International School Dubai	K- 12	Arabic, Canadian, US	MOE UAE, US HS Diploma
American School of Dubai	K- 12	US	AP, HS diploma
British National Curriculum School	K- 12	UK	
Cambridge High School Dubai	K- 12	Arabic, UK	A-level, IGCSE
Cambridge International School Al Quoz	K- 12	UK	
Cambridge International School Dubai	K- 12	UK	A-level, IGCSE
Cambridge International School Dubailand	K- 12	UK	
Cambridge International School Jumeirah Village	K- 12	UK	
Collegiate American School	primary	US	Common Core Standards
Community West First School Dubai	primary	UK	NC, FS1-Y2
Deans International School	K- 12	US	AP, SAT
Deira International School	K- 12	UK	IB, IGCSE
Deira Private School	primary	UK	NC
Kings College Dubai	K- 12	UK	NC GCSE, A-Level
Kings School Al Barsha	K- 12	UK	
Kings School Dubai	primary	UK	NC FS KS1 KS2
Kings School Nad Al Sheba	K- 12	UK	EYFS, NC
Latifa School for Girls	K- 12	UAE, UK	AS, A-level, GCSE
Lycee Francais International Dubai	primary	French	
Lycee Francais International Georges Pompidou	secondary	French	
Lycee Francais International Meydan	primary	Arabic, English, French	IB
Lycee Georges Pompidou Ecole primaire Dubai	primary	French	
Lycee Libanais Francophone Prive	K- 12	French	
Millfield School Dubai		UK	

Table 6: Dubai Schools with Western Curricula²

Source: DubaiFAQs guide to Dubai

This phenomenon is not at all limited to Dubai. The spread of non-local educational systems in the region is yet another manifestation of the peculiar nature of the state in these six countries. Not only the GCC elite have, by and large, received their education from institutions that are geared towards the needs and interests of TCC, the local population receive the type of education that endorse, and even glorify, the educational background of the ruling elite. It is hard, therefore, for a graduate of these domestic western-style institutions to question the credibility of ruling elite who is a graduate of Harvard, MIT or the London School of Economics.

The rise of foreign educational systems in the region coincided with the shift towards transnationally oriented economic structures. The only part of the educational system that

² See the expanded version of Table 6 in appendix

remains locally-oriented is formal and informal religious education that indicates the tools used by the GCC transnational class to try to gain legitimacy for their rule. The growing chasm between these two styles of education has had serious implications in various areas and especially in the context of violent extremism in the region –a subject which is beyond the topic of this paper. It suffices to say that the “mainstream” educational systems in today’s GCC states are more based on a class-based paradigm of development rather than serving as a sustainable and organic infrastructure for growth and production of knowledge within the GCC societies. At the same time, the impact of western-style educational institutions on these societies remains limited. While in certain aspects, such as praise for western technology, these educational systems have been quite successful, in other aspects, the GCC societies are quite traditional. This creates yet another point of contrast (and friction) with most of the ruling elite, who are often immersed in western ethos.

This kind of educational systems is primarily geared towards enabling and protecting the interests of TCC members. As a result, it is not surprising that one may observe in many GCC countries what may be called an “institutional dual-personality”. On the one hand, a highly modernized and impressively globalized economic system is easily recognizable in these countries. On the other hand, a deeply traditional socio-political context that philosophically rejects many of the tenants of modernism continues to live beneath modern skyscrapers. The tension between traditional and modern perspectives is arguably no greater anywhere than in the Muslim world. As Barry Rubin observes, “no area in the world resists-at least explicitly-globalization to an extent equaling that of the Islamic Middle East” (Rubin, 2003, Yale Global Online). Not only globalization but also the so-called “westernization” and modernization have been the target of serious criticism by many traditional voices in the Muslim world. At the same time, some of the most advanced institutions of modern global economy have taken deep roots in this region’s economies and politics to the extent that one may argue this “institutional dual-personality” is the essence of GCC polities. In such a system, the most the educational systems could do is to facilitate upward mobility towards getting closer to the privileged TCC members (or what we may call “politics of contiguity” to the sources of power and wealth) rather than causing any major structural change in the socio-political status of these states and societies.

In fact, the GCC’s educational systems are by design at the service of the transnational space rather than local economies. Indeed, such educational systems could significantly raise the level of literacy within the GCC societies. Yet, this is the type of literacy that is not likely conducive to any democratic change; and that is why general middle class analyses and assessment of the so-called “democratic indicia” such as literacy do not mean much when it comes to these peculiar state-societies (I would like to avoid the term nation-state for two reasons: first, the notion of nation in the context of this region is quite problematic and it remains doubtful whether nations in the western sense of the term exists there; secondly, in the GCC region, states are by far the dominant force compared to the societies. Therefore, I will use the term state-society instead of nation-state to refer to these polities). One indication of the inefficiency of the existing educational systems in bringing about organic and viable changes is the fact that an increasing number of graduates from these educational systems end up migrating and seeking job in western countries or in other capitalist economies. This phenomenon is precisely due to the fact that these graduates are first and foremost “global citizens” in the sense promoted by the mainstream globalization paradigm. They feel much more at home in London and New York than they might do in their own societies. On the other hand, there are significant numbers of foreigners who are now enrolling in the GCC schools, both private and public. For

instance, “only 15% of the 374 graduates that enrolled at King Abdullah University of Science & Technology [a university with one of the largest endowments in the world] were Saudi nationals. Similarly, in academic year 2007-08, only 51% of Qatar Education City’s student population comprised Qatari nationals as opposed to 70-75% target of the Qatari Foundation” (GCC Education Industry, 2010, P.23). This high percentage of foreign enrollment in the educational institutions of the region also attests to the fact that these institutions are responsive to the educational needs of a “global” –i.e. TCC or TCC aspirant– audience, and not that of the indigenous populations.

It is noticeable that in the same country where one of the most technologically advanced universities, i.e. the King Abdullah University of Science & Technology, has been established, the anti-West voices are arguably the most vocal. In 2012, the Grand Mufti of Saudi Arabia declared “it is necessary to destroy all the churches of the region” (Broomhall, 2012, Arabian Business). His declaration may not have much significant consequences in practice especially when there is not much freedom of religion to begin with. However, the declaration indicates the extreme opposite mentality to the mentality of those Saudi elites who are advocating one of the largest transfer of technology in human history from the West to Saudi Arabia. On the other hand, as mentioned before, the traditional societies of these states do not seem to be comfortable at all with modernization and westernization. A similar experience has been tested and failed in Iran during the reign of the Shah, where under a veneer of fast westernization and transfer of technology, deeply traditional forces amassed an eventually uncontrollable resentment towards the system, which led to the Islamic Revolution of 1979. There is certain level of truth in Rubin’s observation that “the two factors that supposedly make globalization attractive are those of benefits and cultural synthesis”(Rubin, 2003, Yale Global Online). However, the current pattern of globalization, at least in the GCC region, revolves around the benefit to the TCC –rather than mutual benefit– and no cultural synthesis. The absence of mutual benefits can be found in some statistics reported in an EY study:

“Only 29% of employers feel that education prepares students with necessary technical skills and only 19% agree that it prepares young people with the right attitude for work...72% of young people stated that parents and family are the primary source of information about jobs”. (Perspectives on GCC Youth Employment, 2014, P.5)

The GCC countries offer generous social welfare systems, in which education is free, and many other social security benefits are offered. At the same time, these social welfare systems are important means for (re)consolidation of the power of the ruling families and for the stability of the GCC transnational rentier states. For instance, the accesses to the benefits are not equally provided to all. Instead, different citizens, based on their family backgrounds and religions, have different levels of access to the government-distributed benefits. This allows the state to channel its financial support towards parts of the society that support the royal rule. It is not surprising that the welfare systems in these countries are almost completely controlled by the ruling families rather than an independent bureaucracy such as the de-centralized welfare structure of resource wealth distribution (i.e. the Nordic model). In other words, resources are in the hands of the royal families, who decide who should have how much access to it. Within the domestic economy that emerges around these ‘transnational rentier states’ and their welfare systems, therefore, it is not surprising that for young people, connections are more important than educational background in finding jobs.

Thus, the other aspect of the GCC's governmental design of the educational system is the peculiar nature and objectives of the GCC welfare systems. Similar to the educational systems, the welfare systems have not been designed in such a manner that they would reduce the gaps among different social classes. At the same time, the life-style of the ruling elites and the wealthy exacerbate the sense of social injustice among lower classes. Thus the concept of poverty becomes a relational concept rather than a certain economic index that could be measured based on fixed mainstream parameters such as income or access to food and other life necessities. Accordingly, despite the unprecedented economic growth and despite the relatively positive economic indexes, the highly uneven economic statuses of different groups of citizens have created a cause for resentment. This resentment among the lower classes, in turn, has fueled various destructive forces ranging from socioeconomic corruption to radicalism. In particular, corruption has been a natural response in domestic economic systems where some are included in while others excluded from having access to the proceeds from shared natural resources.

Labor Market

It is important to note again, that the arrangements of social classes in the GCC countries are complicated. The arrangements become somewhat clearer when viewed as a transnationally-oriented structure rather than the traditional nationally-oriented framework. The following chart produced by a journalist, Ahmed Al Omran, indicates that unusually high percentages of the population in the GCC countries consist of foreign workers.

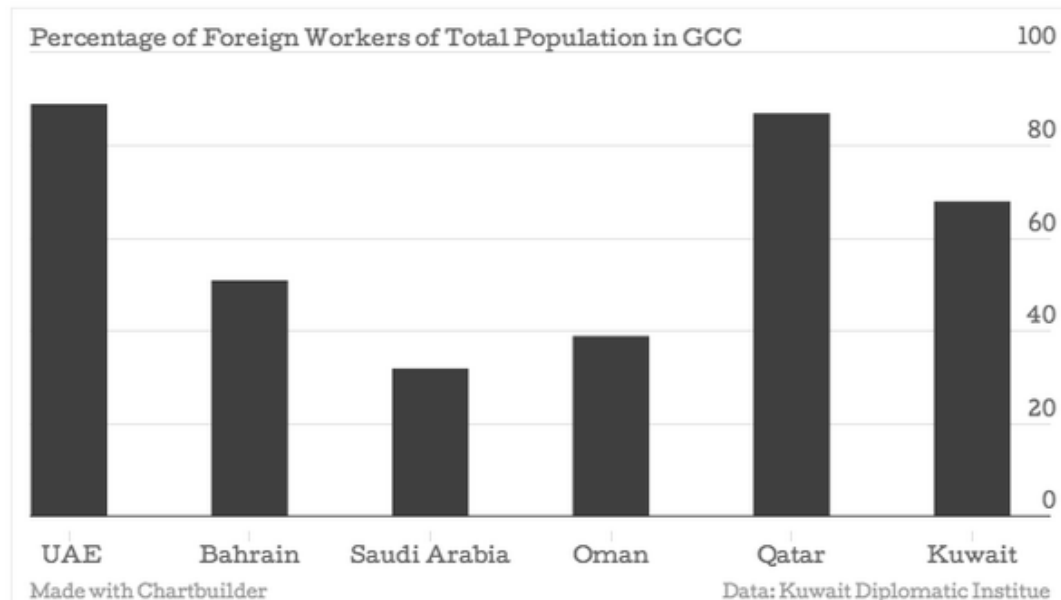


Chart 1: Percentage of Foreign Workers of Total Population in GCC in 2011
Source: Adapted from Ahmed Al Omran, http://www.timeskuwait.com/Times_Kuwait-3rd-highest-in-expats-numbers-in-GCC

The dependency of the private sector in most of the GCC countries on foreign workers has been dramatically increasing in the past few decades. Table 7 below provides the “net migration”³ to the GCC countries from 1980 to 2013.

	1980-1983	1984-1988	1989-1993	1994-1998	1999-2003	2004-2008	2009-2013
Bahrain	3195	12899	5480	44472	143336	293196	22081
Kuwait	102745	118980	-601874	125523	200174	448950	299999
Oman	81500	9000	65500	-209243	106793	32567	1029938
Qatar	101975	57517	-22453	42840	170402	857088	499998
Saudi Arabia	1391626	538413	-121511	-876891	2197524	157126	300000
United Arab Emirates	174444	259505	327575	464455	863784	3812193	514042
GCC	1855485	996314	-347283	-408844	3682013	5601120	2666058

Table 7: Net Migration to the GCC Countries
Source: World Bank (<http://data.worldbank.org/indicator>)

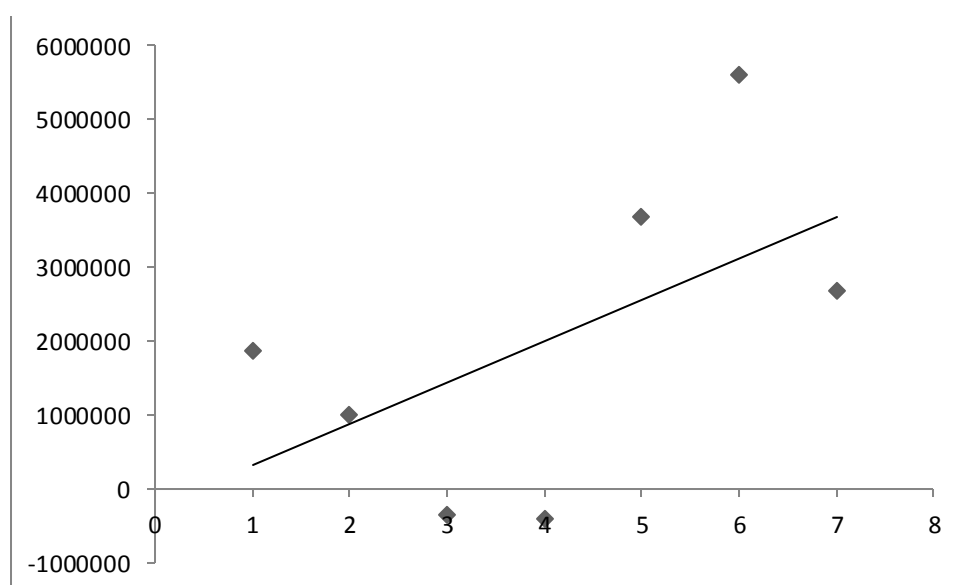


Figure 2: Trend Line of Net Migration in the GCC Countries⁴
Source: World Bank (<http://data.worldbank.org/indicator>)

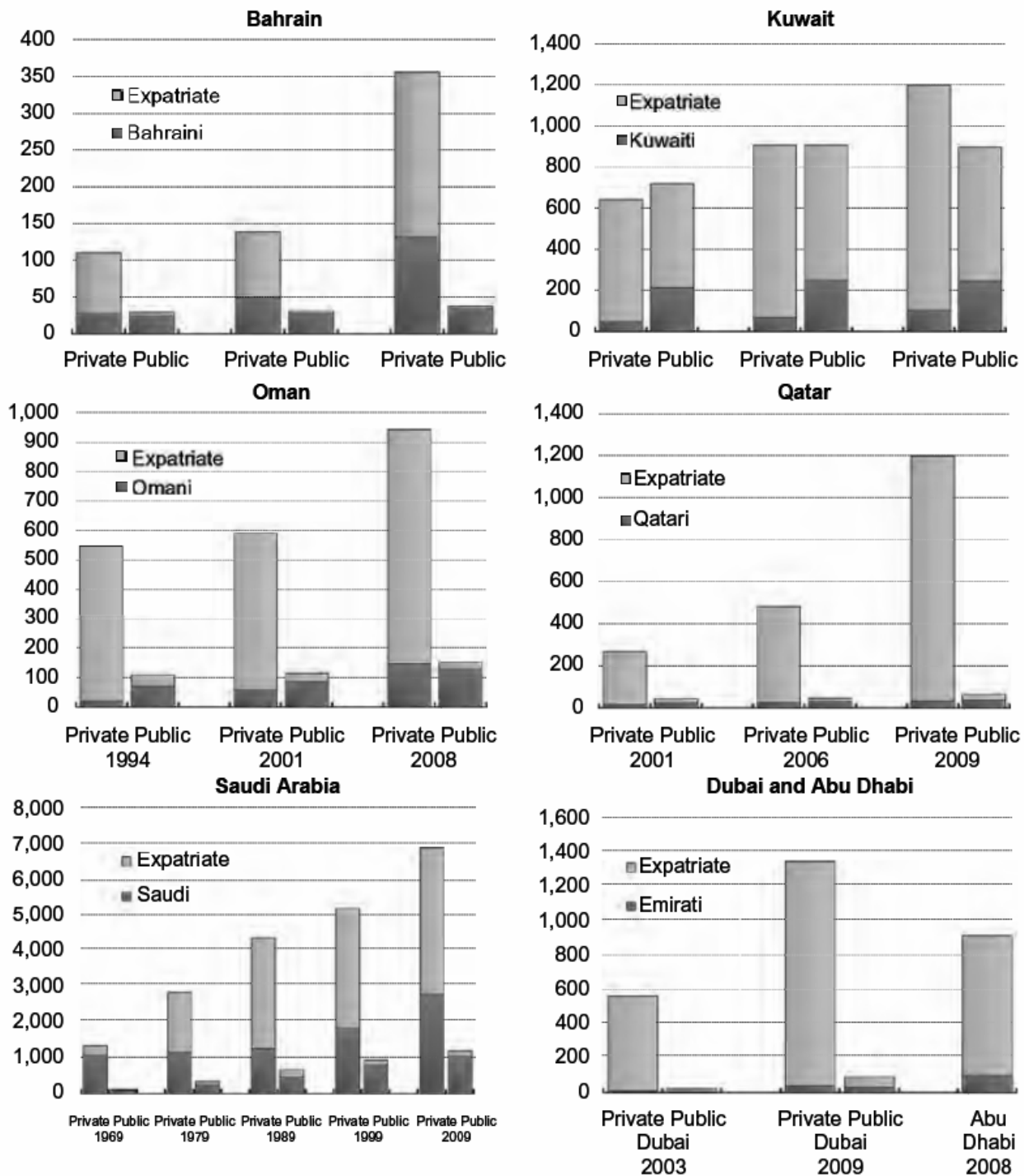
Figure 2 shows the trend line of net migration. Despite the increasing migration of foreign labors to the GCC countries, which has propelled the extraordinary economic development in the region, the living conditions of these labor forces have not improved. The

³According to the World Bank: “Net migration is the net total of migrants during the period, that is, the total number of immigrants less the annual number of emigrants, including both citizens and noncitizens. Data are five-years estimates.” (See here: <http://data.worldbank.org/indicator/SM.POP.NETM?page=6>)

⁴ The numbers from 1 to 7 are representing the time periods in the previous chart; 1=1980-1983, 2=1984-1988, 3=1989-1993, 4=1994-1998, 5=1999-2003, 6=2004-2008, 7=2009-2013.

World Report 2014 by the Human Rights Watch reports many unacceptable living conditions that foreign labors have to endure in these countries, ranging from “unpaid wages”, “physical abuse”, “passport confiscation”, and “unsafe housing” to “exploitation” and “servitude” (World Report, 2014). Obviously, the extent of these problems differs from one country to another. However, the economic structures of all GCC countries depend on cheap labor: “[f]or transnational capital, working class immiseration is just another way to reduce cost margins as firms expand their cross-border investment” (Cox, 2012, P.15).

Finally, population growth remains an important challenge for these countries –a challenge that can exacerbate the level of inequality in the future. In a project conducted by *The Economist* in 2010, it was estimated that the GCC countries will face 30% population growth until 2020 (The GCC in 2020, 2010, P.1). Such a rapid growth requires states to produce many more new jobs. As mentioned before, currently, considerable percentages of the GCC working class are immigrants [See Figure 3 below].



Sources: Country authorities.

Tjshome.com/i

Figure 3: "Labor Force by Sector and Origin, 1969-2009"

Source: Adopted from; <https://www.imf.org/external/pubs/ft/dp/2011/1101mcd.pdf>, P.5

Even if the GCC states will be successful in the extremely difficult task of creating so many new jobs, it is doubtful that these jobs will benefit the indigenous populations or whether

these populations would agree to fill the job positions. This is because the current labor politics in the GCC region favors transnational labor class -who are cheap and need not be protected by national regulations and policies. Moreover, the GCC societies have benefited, to various degrees, from social welfare systems and from low-skill foreign workers for so long. This will make it quite unlikely that the indigenous populations will compete with foreign workers for low-skill job openings. Therefore, the transnational structure of capital accumulation that is the essence of the GCC political economies is not provided for the local demands. For instance, in terms of job market, it cannot absorb the future population growth in a way in which they would have a standard level of living that their ancestors have had.

Conclusion

“My Grandfather rode a camel, my father rode a camel, I drive a Mercedes, my son drives a Land Rover, his son will drive a Land Rover, but his son will ride a camel” (the National UAE, 2010).

Saying by Sheikh Rashid bin Saeed Al Maktoum, the former vice president of UAE.

The ascendance of transnational activities has derailed any organic political and socioeconomic structure in the Gulf States. In other words, the modern political economy of the GCC are dominated by transnational actors whose business activities are more compatible with the global structure of transnational capital accumulation rather than advancing any national (or regional) economic interests.

This research aimed at shedding some light on several aspects of the political economy of the transnational elite in the GCC states. It is the promise of globalization that economic integration as well as cultural interactions can provide a ground for sustainable economic development. At the same time, many democratization studies tell us that enhancement of learning and education within societies is an important stepping-stone towards democratic changes. However, where the middle class and the working class are essentially excluded from the process of decision-making, and the economic interactions are micromanaged by the ruling elites, both of the above propositions are dubious.

In the GCC region, these elites are well educated and successful in their transnational business activities. They speak the “language of the world” (i.e. West) and they share the “globalized [i.e. capitalist] mentality”. But, when it comes to the national and local levels of analysis, these elites, as loyal custodians of the interests of TCC, have to play the role of controllers and shock-absorbers vis-à-vis their societies. This in effect, has created a “race to the bottom” for further trans-nationalization of local economies combined with suppressive politics. What is missing, in the words of Robert Wade, is a “strategic management of [international] trade, so as to curb the race-to-the-bottom effects of export-led growth, and foster domestic industry and services that would provide better livelihood and incomes for the middle and working classes” (Wade, 2008, P.20). On the other hand, the image of transnational globalization in the region cannot be completely understood without examining the crucial role of the GCC-based transnational elites; and this paper provides a glimpse into the unusual combination, in the GCC countries, of the low level of development in the infrastructure of the local economies on the one hand and the high level of development in transnational economic activities.

Another issue that was discussed in this paper was the relationship between the amount of wealth in this region and the authoritarian regimes. To understand this relationship, one should not focus only on domestic factors. The relationships between the GCC transnational elites and TCC have shaped the current domestic contexts for authoritarian regimes in important ways; and because the continuation of these regimes is in the interest of the transnational structure of capital accumulation, it is unlikely that any democratic change materializes in the foreseeable future. As the research explored, the GCC-based elites have been evolving from a national/international context to transnational context. Accordingly, any state-centric approach or state-society frameworks that are based upon the mainstream understanding of the notion of “state” cannot provide an accurate understanding of many fundamental processes in the GCC region.

It is important to note that one of the recurring geostrategic aspects of the Persian Gulf region has been the emergence of political vacuums during various historical periods. In the early modern history of the Persian Gulf, this vacuum was filled by the British Empire. After the British had to relinquish their power in the region, the U.S. filled the vacuum. In “Persian Gulf in History”, Gary Sick writes:

“Throughout, U.S. interests in the Persian Gulf region were simple and consistent, conceived from the start in global, strategic terms: first, to ensure access by the industrialized world to the vast oil resources of the region; and second, to prevent any hostile power from acquiring political or military control over those resources.” (Potter, P.295, 2008).

In the context of this political vacuum, the nature of the power that the GCC states have is unclear. Some scholars argue that energy resources that are available in the GCC region are the primary reason that the global economy should keep this region as stable as possible. On the other hand, the geostrategic location of the GCC region is a significant factor. While there are some truths in these assertions, the nature of state power in the GCC countries cannot be understood without contextualizing the GCC’s transnational elites in the TCC. It can be argued that, as the power of the TCC has dramatically increased in the past two decades in the GCC region, it has been the transnational structure of capital accumulation that has filled the political vacuum in that region. Accordingly, one cannot analyze the GCC states without the significant role of its transnational elites, who have created in the course of many decades a number of ‘transnational rentier states’. These transnational rentier states have heavily influenced various aspects of the GCC countries’ institutional settings including the economic, political, social, and educational institutions.

Appendix

Table 5.1: The Educational Background of Major Economic and Political Figures in the GCC

NAME	TITLE	ORIGIN	COMPANY	INDUSTRY	Education	Other Occupations
Sheikh Tamim bin Hamad bin Khalifa Al Thani	Emir of the State of Qatar	Qatar			Sherborne School, Harrow School, Royal Military Academy Sandhurst (RMAS)	
Abdullah bin Nasser bin Khalifa Al Thani	Prime Minister of Qatar				Durham Military College	
Qaboos bin Said Al Said	Sultan of Oman				Royal Military Academy Sandhurst	
Hamad bin Isa bin Salman Al Khalifa	King of Bahrain				Leys public school in Cambridge	
Khalifa bin Zayed bin Sultan Al Nahyan	President of the UAE				Royal Military Academy Sandhurst	
Mohammed bin Rashid Al Maktoum	Prime Minister and Vice President of Dubai				Bell Educational Trust's English Language School	
Prince Alwaleed Bin Talal Bin Abdulaziz Alsaud	Chairman	KSA	Kingdom Holding	Finance	Menlo College, Syracuse University	"Citigroup's largest individual shareholder"
Sheikh Ahmed Bin Saeed Al Maktoum	Chairman	UAE	Emirates/Emirates NBD	Transport	University of Denver	"chairman of Dubai's biggest bank, Emirates NBD, and of Dubai World, the conglomerate that includes the world's third-biggest ports company, DP World".
Khalid Al Falih	CEO and president	KSA	ARAMCO	Industry	Texas A&M University	"Member of American Society of Mechanical Engineers (ASME), the International Association for Energy Economics (IAEE) and Oxford Energy Policy Club"
Ali Bin Ibrahim Al Naimi	Minister of Petroleum and Mineral Resources	KSA		Energy	American University of Beirut, Lehigh University, Stanford University	Important role in oil supply decisions
Mohammed Al Mady	CEO	KSA	SABIC	Industry	University of Colorado Boulder, The University of Wyoming, Honary Fellow of th London Business School	"member of the U.S.-Saudi Business Council; the Economic Offset Committee; and the International Business Council of the World Economic Forum. Mr. Al-Mady is a fellow of the London Business School".
Mohamed Ali Alabbar	Chairman and CEO	UAE	Emaar	Real Estate	Seattle University	World Economic Forum (many times repressed UAE). (http://thefinancialdaily.com/articles/ViewArticleDetail.aspx?ArticleID=3562)
Ahmad Al Sayed	Managing director and CEO	Qatar	Qatar Holding	Finance	University of Boston, New York University	"Harrods, London Stock Exchange, Porsche and Hochstein are a few of the emblematic companies that come to mind under his stewardship".
Dr Fahad Al Mubarak	Governor	KSA	SAMA	Finance	University of Houston	"was previously chairman and managing director of Morgan Stanley Saudi Arabia"
Mohamed Bin Issa Al Jaber	Chairman & CEO	KSA	MBI International	Real Estate	Honorary Doctor of Science degree from University of Westminster and City University	"is founder, Chairman and CEO of MBI Group, an international conglomerate which spans Europe and the Middle East. The Group is a worldwide investment institution operating in the hospitality, real estate, finance, oil and gas and food industries."

NAME	TITLE	ORIGIN	COMPANY	INDUSTRY	Education	Other Occupations
Bakr bin Ladin	Chairman	KSA	Bin Laden Group	Real Estate	University of Miami	
Lubna Olayan	CEO	KSA	Olayan Financing Company	Finance	Cornell University, Indiana University	"A member of the International Business Council of the World Economic Forum, she is also on the Arab Business Council's executive committee"
Khaldoon Khalifa Al Mubarak	CEO and managing director	UAE	Mubadala	Finance	Tufts University, Boston, Massachusetts	"Member of International Advisory Board at Russian Direct Investment Fund, He has been a Director of Ferrari S.p.A, the Chairman of Manchester City Football Club Limited"
Sheikha Lubna Al Qasimi	Minister of Foreign Trade	UAE		Government	California State University	
Abdul Aziz Al Ghurair	CEO	UAE	Mashreq	Finance	California Polytechnic State University (Honors Degree)	
Mohammed Alshaya	Chairman	Kuwait	MH Alshaya Group	Retail	Wharton school of business	
Sheikh Sulaiman bin Abdul-Aziz Al-Rajhi	Chairman	KSA	Al-Rajhi Bank	Finance		
Akbar Al Baker	CEO	Qatar	Qatar Airways	Transport		"He has been a Non Executive Director of Heathrow Airport Holdings Ltd. since February 2013. He served as a Director of Cargolux Airlines International SA since September 8, 2011".
Mansour Saleh Al-Maiman	Chairman	KSA	National Commercial Bank	Finance	University Of Dallas	
Abdulla Nasser Al Suwaidi	Director General	UAE	ADNOC	Energy	University of Wisconsin	
Sheikh Khalid Bin Khalifa Al Thani	CEO	Qatar	Qatargas	Energy	Pacific Lutheran University	
Thoraya Ahmed Obaid	Shura Council Member	KSA		Government	Wayne State University	
Ali Shareef Al Emadi	Group CEO	Qatar	Qatar National Bank	Finance	University of Arizona	
Sheikh Saleh Kamel	Chairman	Chairman	Dallah Albaraka	Finance	University of California	"He serves as Chairman of Egyptian Saudi Finance Bank, Egypt; Al Amin Bank, Bahrain; Albaraka Bank Lebanon; Arab Media Company, Saudi Arabia and Arab Radio & Television, Cayman Islands".
Hassan Abdullah Al Thawadi	Secretary General	Qatar	Qatar 2022 Supreme Committee	Culture and Society	The University of Sheffield	Director of Hassad Australia Pty Ltd.

NAME	TITLE	ORIGIN	COMPANY	INDUSTRY	Education	Other Occupations
Mahmood Hashim Al Kooheji	CEO	Bahrain	Mumtalakat	Finance	Staffordshire University, Henley Business School	"He serves on the International Advisory Board of Russian Direct Investment Fund".
Sheikh Ahmed bin Jassim Al Thani	Director General	Qatar	Al Jazeera	Media	Imperial College Business School, Tepper School of Business	
Hayat Sindi	Medical researcher	KSA	Diagnostics for All	Science	King's College London, University of Cambridge	"founded Sonoptix Technology in the UK with Saudi Arabian seed funding".
Omar K Alghanim	CEO	Kuwait	Alghanim Industries	Industry	New York University, Harvard Business School	"He also serves as a Board Member of several firms including Kuwait China Investment Fund in India and China. He served as a Director of Kuwait China Investment Company K.S.C.until March 2013".
Abdullatif al-Othman	Governor and Chairman	KSA	SAGIA	Finance	Massachusetts Institute of Technology	"Former Non-Executive Director of Petron Corporation".
Sheikha Hanadi Bint Nasser Bin Khalid Al Thani	Businesswoman	Qatar		Finance	London Business School, University Of London,	"She was named Young Global Leader by the World Economic Forum in 2005 and voted as personality of the year by Al Rayah; Qatar's leading newspaper, for her vision and contribution to the economy".
Mohammed Jameel	President	KSA	Abdul Latif Jameel Group	Retail	Massachusetts Institute of Technology	
Dr. Abdulrahman Al Zamil	Chairman	KSA	Al Zamil Holding Company	Industry	University of Southern California	
Bader M. Al Sa'ad	Managing Director	Kuwait	Kuwait Investment Authority	Finance	Miami University	"Former Director of Kuwait Petroleum Corporation".
Dr. Nasser Marafih	CEO	Qatar	Qatar Telecom	Telecoms	George Washington University	" He played a key role in Qtel's acquisition of the Kuwait-based Wataniya in 2007, a strategic deal with AT&T to gain an equity stake in NavLink.He is a Member of the Geographic Information Service, the World Trade Organisation Committees and Institute of Electrical Electronics Engineers Inc".
Dr. Khaled bin Abdulaziz Al Ghoneim	CEO	KSA	STC - Saudi Telecom Company	Telecoms	Carnegie Mellon University	
Sultan Ahmed Bin Sulayem	Chairman	UAE	DP World	Industry	Temple University	
Dr. Sultan Al Jaber	CEO and MD	UAE	Masdar	Energy	Coventry University, California State University, University of Southern California	
Ala'a Eraiqat	CEO	UAE	Abu Dhabi Commercial Bank	Finance	George Washington University	
Mishal Kanoo	Deputy chairman	Bahrain	Kanoo Group	Industry	University of St. Thomas, Texas, American University	
Sheikha Al Bahar	CEO	Kuwait	National Bank of Kuwait	Finance	Harvard Business School, Stanford University and Duke University	
Maha Khalid Al-Ghunaim	Chairperson and managing director	Kuwait	GIH	Finance	San Francisco State University	
Dr. Naif Al-Mutawa	Founder and CEO	Kuwait	Teshkeel Media Group	Culture and Society	Long Island University, Columbia University, Tufts University	

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Table 6.1: Dubai Schools with Western Curricula

School Name	Level	Curriculum	School Name	Level	Curriculum
Al Ameen School	K-10	Arab, Islamic, UK	Dubai American Scientific School	K-12	US
Al Andalus School Dubai	K-12	Arabic, US	Dubai Arab American School	K-12	UAE/US
Al Diyafah High School	K-12	Indian, UK	Dubai British School	K-12	UK
Al Ittihad Private School Jumeirah	K-12	Arabic, US	Dubai British School Jumeirah Park	K-12	UK
Al Ittihad School Mamzar	K-12	Arabic, UAE, US	Dubai Carmel School	K-12	Arabic, UK
Al Khaleej National School	K-12	Arabic, UAE, US	Dubai College	secondary	UK
Al Maaref Private School Dubai	K-12	Arabic, UAE, US	Dubai English Speaking College	secondary	UK
Al Mawakeb School	K-12	Arabic, US	Dubai English Speaking School	primary	UK
Al Mawakeb School Barsha	K-12	Arabic/US	Dubai First School	K-12	UAE, US
Al Sadiq Islamic English School	K-12	Arabic, UK	Dubai Gem School	K-12	Indian/UK
Al Salam Private School	K-10	Arabic/UK	Dubai International Academy	K-12	UK/US
Al Worood School Dubai	primary	Arabic, UK	Dubai International School	K-12	Arabic, US
American Academy for Girls Dubai	K-12	US	Dubai International School Nad Al Sheba	K-12	Arabic, US
American International School Dubai	K-12	Arabic, Canadian, US	Dubai Modern Education School	K-12	UAE, US
American School of Dubai	K-12	US	Dubai National School	K-12	UAE, US
Apple International School	primary	Indian/UK	Dubai National School Al Twar	K-12	UAE, US
Arab Unity School	K-12	Arabic, UK	Dubai Scholars Private School	K-12	Indian/UK
Bradenton Academy Dubai	K-12	US	Dubai School of Excellence	K-12	US
British Institute for Learning Development	K-10	UK	Dubailand Taleem School	K-12	UK, US
British National Curriculum School	K-12	UK	Dulwich College Dubai		UK
Cambridge High School Dubai	K-12	Arabic, UK	DWC High School	secondary	UAE, US
Cambridge International School Al Quoz	K-12	UK	Ellesmere College Dubai	K-12	UK
Cambridge International School Dubai	K-12	UK	Emirates International Autism Center		
Cambridge International School Dubailand	K-12	UK	Emirates International School Jumeirah	K-12	UK, US
Cambridge International School Jumeirah Village	K-12	UK	Emirates International School Meadows	K-12	UK
Canadian International School Dubai	K-12	Canadian	English College Dubai	K-12	UK
Capital School Dubai	K-12	UK	English Medium School Dubai	K-12	Arabic/UK
Choueifat Dubai	K-12	Choueifat, UK, US	Foremarke Hall School Dubai	primary	UK
Choueifat Dubai Green Community	K-12	Choueifat, UK, US	French School Dubai		French
Collegiate American School	primary	US	GEMS FirstPoint School Dubai	K-12	UK
Community West First School Dubai	primary	UK	GEMS Metropole School Motor City	K-12	UK
Deans International School	K-12	US	GEMS Wellington Academy Al Khail		UK
Deira International School	K-12	UK	German International School Dubai	K-12	German
Deira Private School	primary	UK	Horizon College Dubai	secondary	UK
DPS Academy Dubai	K-12	Indian	Horizon School Dubai	primary	UK
Dubai American Academy	K-12	US	Jebel Ali Primary School	primary	UK

School Name	Level	Curriculum	School Name	Level	Curriculum
Jebel Ali School	secondary	UK	Raffles International School South Campus	K-10	UK, US
JESS Arabian Ranches	K-12	UK	Raffles International School West Campus	K-12	UK, US
Jumeirah College	secondary	UK	Raffles World Academy	K-12	UK, US
Jumeirah English Speaking School	primary	UK	Rashid Primary School	primary	Arabic/UK
Jumeirah International School			Rashid School for Boys	K-12	Arabic/UK
Jumeirah Primary City School	primary	UK	Regent International School	K-12	UK
Jumeirah Primary School	primary	UK	Repton School Dubai	K-12	UK
Juventus Soccer School Dubai		Italian	Royal Dubai School	K-10	UK
K12 International Academy	K-12	US/Home School	Safa British Academy	K-12	UK, International
Kalimati Speech and Communication Center		Arabic, English, French	Safa Community School	K-12	UK
Kent College Dubai		UK	Safa School	primary	UK
Kings College Dubai	K-12	UK	School of Modern Skills	K-10	Arabic / US
Kings School Al Barsha	K-12	UK	School of Research Science	K-12	Arabic, UK
Kings School Dubai	primary	UK	Sharjah American School Dubai	K-12	Arabic/US
Kings School Nad Al Sheba	K-12	UK	Sheffield School Dubai	K-12	UK
Latifa School for Girls	K-12	UAE, UK	Silicon Oasis GEMS School	K-12	UK
Lycee Francais International Dubai	primary	French	Sobha International Academy Dubai	K-12	UK
Lycee Francais International Georges Pompidou	secondary	French	St Marys School Dubai	K-12	UK
Lycee Francais International Meydan	primary	Arabic, English, French	Star International School Al Twar	K-10	UK
Lycee Georges Pompidou Ecole primaire Dubai	primary	French	Star International School Jumeirah	primary	UK
Lycee Libanais Francophone Prive	K-12	French	Star International School Mirdiff	primary	UK
Millfield School Dubai		UK	Sultan Al Owais Public School		UAE
Mirdiff Private School	K-10	Arabic/US	Swedish School in Dubai	K-12	Sweden
Modern Renaissance School	primary	UK	Swiss International School Dubai		Swiss
Modern School and Nursery	primary	Indian/UK	The City International School	K-12	Pakistan, UK
National Charity School Dubai	K-12	Arabic, UAE	The Oasis School Dubai	K-12	UK
New Arab Unity School	K-12	Arabic, US	The Universal Academy of Excellence	K-12	UK
Nibras International School	K-12	Arabic/US	Universal American School	K-12	US
Nord Anglia International School Dubai		UK	Victory Heights Primary School	primary	UK
North American International School Dubai	K-12	Arabic, US	Wellington Academy Dubai	K-12	UK
Omar Bin Al Khattab Model School	secondary	UAE, Arabic	Wellington College Dubai		UK
Ontario International Canadian School	K-12	Canadian, Ontario	Wellington International School	K-12	UK
Oundle School Dubai	K-12	UK	Wellington International School Palm Jumeirah	primary	UK
Oxford School Dubai	K-12	Arabic, UK	Wellington Primary School	primary	UK
Pan American Academy Dubai	K-12	Canadian	Westminster School Dubai	K-12	Arabic/UK
Pristine Private School	K-12	UK	Winchester School Dubai	primary	Indian / UK
Queen International School	K-12	Arabic/UK	Winchester School Dubai Oud Metha		Indian / UK
Raffles International School	K-12	UK, US			

Source: DubaiFAQs guide to Dubai

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