Universitat Autònoma de Barcelona

QATAR PETROLEUM AND OIL & GAS SECTOR: A HISTORY OF GOVERNANCE AND GLOBALISATION

Rachid Aarab

ADVERTIMENT. L'accés als continguts d'aquesta tesi doctoral i la seva utilització ha de respectar els drets de la persona autora. Pot ser utilitzada per a consulta o estudi personal, així com en activitats o materials d'investigació i docència en els termes establerts a l'art. 32 del Text Refós de la Llei de Propietat Intel·lectual (RDL 1/1996). Per altres utilitzacions es requereix l'autorització prèvia i expressa de la persona autora. En qualsevol cas, en la utilització dels seus continguts caldrà indicar de forma clara el nom i cognoms de la persona autora i el títol de la tesi doctoral. No s'autoritza la seva reproducció o altres formes d'explotació efectuades amb finalitats de lucre ni la seva comunicació pública des d'un lloc aliè al servei TDX. Tampoc s'autoritza la presentació del seu contingut en una finestra o marc aliè a TDX (framing). Aquesta reserva de drets afecta tant als continguts de la tesi com als seus resums i índexs.

ADVERTENCIA. El acceso a los contenidos de esta tesis doctoral y su utilización debe respetar los derechos de la persona autora. Puede ser utilizada para consulta o estudio personal, así como en actividades o materiales de investigación y docencia en los términos establecidos en el art. 32 del Texto Refundido de la Ley de Propiedad Intelectual (RDL 1/1996). Para otros usos se requiere la autorización previa y expresa de la persona autora. En cualquier caso, en la utilización de sus contenidos se deberá indicar de forma clara el nombre y apellidos de la persona autora y el título de la tesis doctoral. No se autoriza su reproducción u otras formas de explotación efectuadas con fines lucrativos ni su comunicación pública desde un sitio ajeno al servicio TDR. Tampoco se autoriza la presentación de su contenido en una ventana o marco ajeno a TDR (framing). Esta reserva de derechos afecta tanto al contenido de la tesis como a sus resúmenes e índices.

WARNING. The access to the contents of this doctoral thesis and its use must respect the rights of the author. It can be used for reference or private study, as well as research and learning activities or materials in the terms established by the 32nd article of the Spanish Consolidated Copyright Act (RDL 1/1996). Express and previous authorization of the author is required for any other uses. In any case, when using its content, full name of the author and title of the thesis must be clearly indicated. Reproduction or other forms of for profit use or public communication from outside TDX service is not allowed. Presentation of its content in a window or frame external to TDX (framing) is not authorized either. These rights affect both the content of the thesis and its abstracts and indexes.

QATAR PETROLEUM AND OIL & GAS SECTOR: A HISTORY OF GOVERNANCE AND GLOBALISATION

Submitted by

Rachid Aarab

To the Universitat Autònoma de Barcelona
as a thesis for the degree of
Doctor of Philosophy in Politics, Policies and International Relations
In March 2021

Supervisor: Dr. Laura Feliu i Martínez

Universitat Autònoma de Barcelona

Declaration

Except for commonly understood and accepted ideas, or where specific reference is made, the work in this dissertation is my own and includes nothing which is the outcome of work done in collaboration. The work is not substantially the same as any that I have previously submitted for other qualifications. The dissertation contains more than 100,000 words of text.

9 March 2021	…………..……..
Date	(Rachid Aarab)

Abstract

The thesis examines the patterns that drive the governance and globalisation of Qatar Petroleum (QP) and the oil and gas sector. The state-owned entity (SOE) became from December 2010 until today, the world leader in of liquefied natural gas industry (LNG) with production and exportation of 77,4 (mt/y). QP's plan is to the restart development of the North Field, the world biggest gas field after the 12-year Moratorium. But despite its importance, there is little in the academic literature that explains why QP exist, and how is governed and globalised. This thesis seeks to fill the gap. It addresses the question: What are the patterns driving the governance and globalisation of QP. In order to answer this, we consider three main patterns that explain our case study: 1) elite's policies; 2) institutional capacity, and ;3) nature of resources. In analysing these patterns and their factor-patterns associated, the thesis develops a transdisciplinary approach that integrates International Relations, History, International Political Economy, Political Science and Sociology. Governance and globalisation of QP reflect:
1) Elite's policies: Nationalization, privatisation, liberalisation policies reflect the logics, the strategies and the goals of the Qatari ruling elite for the accumulation of power and survival. 1.1. Nationalization and Colonial legacy. The British Empire and APOC had a major influence on the emergence of Qatar and its oil industry. APOC and the "Seven Sisters" exercised an absolute monopoly over Qatar's resources, this practice generated a wave of nationalism and nationalization of oil resources and the creation of the NOCS coordinated under the umbrella of OPEC. QP was created in 1974 and exists for the reason of controlling oil and gas resources by the Qatari ruling elite. This kind of ownership allows it to control and enjoy QP's lucrative benefits. The control of the oil and gas sector and the profits obtained means the domination of the two main power resources of the Qatari regime of power: the oil sector and capital. Even though the nationalization achieved its objective in the 1970s, its unwanted consequences and unsatisfactory results in the 1980s were the main cause for the change in policy and the implementation of liberalisation policies, particularly in the energy sector. 1.2 Partial Privatization through the "back-door" has transformed QP from a state bureaucratic administration into a commercially minded entity and thus altered its identity and behaviour *vis-à-vis* state institutions. 1.3 The liberalisation of the domestic energy sector is strongly interlinked with the partial privatisation of QP and its subsidiaries. The lifting of controls on foreign participation of IOCs in the oil and gas energy sector provided QP and its subsidiaries with the financial resources to venture into overseas investments.
(2) The institutional capacity (including administrative capacity and decision-making). We have found that the sector is governed by the principal governance model (elite ruling) agent (QP). This system allows the Qatari state to act as the principal authority, delegating to its agent QP the national mission, the objectives and the functions to be developed. The Emir as chairman of the Supreme Council for Economic Affairs and Investment is the one who dictates the policy of the national company, its budget, appointments, investments, or contracts with IOCs.
(3) The nature of resources: QP develops oil, gas and LNG and other resources; the high level of risk and the difficulty of exploiting oil and gas resources are an important pattern in the development of the hydrocarbon industry. The gas industry involving high capital and investment risk and technology forced Sheikhs rulers Khalifa and Hamad to establish strategic alliances with IOCs to manage geological and market risks. The enormous size of North Field has required the involvement of energy giants such as ExxonMobil, Total, Shell, BP, and others.

We conclude that privatisation and liberalisation policies are the most important factor-patterns in the governance and globalisation of QP and the oil and gas sector.

Acknowledgements
This thesis project is the most complicated challenge I have ever experienced. I had a big dream that I have been able to fulfil, I had to make great sacrifices and make this long journey with a lot of courage. After graduating from the Master in International Relations, Security and Development (UAB), I had no choice but to look ahead and do the PhD programme in international relations. I had a lot of turbulence along the way, all kinds of turbulence. I had to sweat a lot and spend a lot of time working, even though I didn't make it in time, but I made it to port. I was passionate about research on international relations issues and, in particular, energy studies and geopolitics. In doing a check of research agendas, I realised that state-owned oil companies are understudied, and Qatar Petroleum is not a case study, and its literature is very limited. I jumped on board to study it and contribute to understanding this phenomenon. I am very grateful to my supervisor, Dr. Laura Feliu, for her superb supervisory skills. Many thanks to her for her support and willingness to help and her invaluable advice throughout the PhD. I also thank Ferran Izquierdo and Rafael Grasa for their support and valuable advice in doing this research.
I am equally grateful to the members of the IRWANA research group and Olivia. Many thanks also to those who helped me at the beginning, especially during my stay in London, Doha and Princeton, and gave me useful information to move forward. Your help is very much appreciated and will always be remembered. Finally, it is impossible for me to write this PhD without thanking my friends who have always supported and cared for me. In order to finish this thesis, I owe a great debt to my partner Layla, for her encouragement and willingness to take on several of my domestic responsibilities to help me focus on my research. I am very grateful to my dear for her unconditional love, and that she agreed to accompany me on this journey. Without Layla's help, my PhD life would have been much more difficult and less colourful. I am also grateful to my beautiful daughters, Fatima Zahrae and Khadija, who put up with my long absences, who could not understand why their father seemed to be so busy and did not have enough time for her. Last but not least, my deep gratitude to my late father Hatri Ali, and my brother Tejani for teaching me perseverance and courage. My deep gratitude to my mother Fatima Hammou for the sacrifices she made so that I could pursue my education and for her immense love and concern and constant prayers for me. Finally, I would like to thank my family. To all my brothers and sisters for their psychological and financial support.

This research work has been possible thanks to grants from the Ministry of Science, Innovation and Universities and the Ministry of Economy and Competitiveness: The FPI grant (BES-2013-064752), and three grants for research stays abroad. For family reasons, I had to give up the grant for the stay at the Oxford Institute for Energy Studies. It has also been possible thanks to the R&D projects: Popular revolts from the Mediterranean to Central Asia: historical genealogy, power fractures and ad hoc factors (HAR2012-34053); and Dynamics and transnational actors in the Middle East and North Africa: A historical genealogy of elites and social movements between the local and the global (HAR2016-77876-P), both led by researchers Laura Feliu and Ferran Izquierdo.
In the process of analysis and writing of this doctoral thesis, I have received the support of different people and research centres without which the work I present below would

not have been possible. I must highlight the support I have received from the two research centres where I have been hosted as a visiting researcher during this long research process:

- The first, the Institute for Transregional Study of the Contemporary Middle East at Princeton University, where I received support from Professor and Director of the Institute Bernard Haykel. Princeton, USA

- The second, Gulf Studies Center at Qatar University, where I received support from Abdullah Baabood and other professors from the Department of International Affairs. Doha, Qatar

Contents

List of Tables

List of Figures

List of acronyms and Abreviations

APOC	Anglo-Persian Oil Company
EIC	East India Company
FDI	Foreign Development Investment
GDP	Gross domestic product
IOC	International Oil Company
IPC	Iraq Petroleum Company
IPE	International Political Economy
LNG	liquefied natural gas
lOR	India Office Records
MBD	millions of barrels per day
MQR	Millions Qatari Riyals
MT/Y	million tonnes per year
NOC	National Oil Company
O&G	oil and gas
O&G	Oil and Gas
OAPEC	Organisation of Arab Petroleum Exporting Countries
OPEC	Organisation of Petroleum Exporting Countries
QIA	Qatar Investment Authority
QIA	Qatari Investment Authority
QP	Qatar Petroleum
RS	Indian Rupees
SOCAL	Standard Oil Company of California
SOE	state-owned entity
SWF	Sovereign Wealth Funds
TCF	trillion cubic feet
TNCs	Transnational Corporations
TPC	Turkish Petroleum Company
WEC	World Energy Council

Glossary

This glossary explains some of the terms that are used in this book.

Acquisition: all transfers of ownership for foreign crude oil to a firm, irrespective of the terms of that transfer. Acquisitions thus include all purchases and exchange receipts as well as any and all foreign crude acquired under reciprocal buy-sell agreements or acquired as a result of a buy-back or other preferential agreement with a host government.

Administrative capacity: is generally defined as the ability to perform functions, solve problems, set goals, and achieve.

Authority: A form of influential power based on the status, competence or charisma of the person exercising it.

Barrel of oil: Standard oil industry measure of volume: 1barrel is equivalent to 42 US gallons (159)

Brent blend: The principal grade of UK North Sea crude oil in international oil trading. Used as the "marker" for other North Sea grades which trade at differentials to it, reflecting quality and location.

Bureaucracy: government by offices, i.e. by administration. It is the fundamental positive element of legal-rational domination in Max Weber.

Concession: The operating right to explore for and develop petroleum fields in consideration for a share of production in kind.

Crude oil: A mixture of hydrocarbons that exists in liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through Surface separating facilities.

Dutch disease: is a concept that describes an economic phenomenon where the rapid development of one sector of the economy (particularly natural resources) precipitates a decline in other sectors. The name comes from the Dutch experience after the discovery of gas in the North Sea. Sales of natural gas appreciated the Dutch currency and seriously damaged the country's other export industries.

F.O.B. price for crude oil: The price actually charged at the producing country's port of loading. The reported price includes deductions for any rebates and discounts or additions of premiums where applicable and should be the actual price paid with no adjustment for credit terms.

Gas: A non-solid, non-liquid combustible energy source

Governance: A method of management and decision-making, within a company or political entity, considered in all its aspects, institutional and non-institutional.

Government: is the political leadership within a state. Governments can come and go; states tend to endure.

Institutional capacity: is seen to include the capacities of society more widely, including the public sector, non-governmental organisations and, sometimes, also the private sector.

Institutions: to include the system of formal laws, regulations, and procedures (including, but not limited to, legal entities and their governing rules), as well as informal conventions, customs, and norms that influence socioeconomic behavior.

internalisation

Join Venture: A commercial structure where several companies join together to develop a Project in a "Joint Venture" Company.

LNG value Chain: Combination of four elements as parts of the LNG business: Upstream, liquefaction, shipping and regasification.

- Upstream: Exploration (searching) for gas and when found the production of gas.
- Liquefaction: The process by which gas is cooled to minus 160 degrees centigrade, at which point it turns into a liquid and contracts 600 parts to 1.
- Shipping: The movement of LNG in specialised tankers (not under pressure).
- Regasification: The process whereby the LNG is converted back to gas through the addition of heat.

LNG: Natural gas (primary methane) that has been liquefied by reducing its temperature to −162 °C (−260 °F) at atmospheric pressure

Monitoring: provides assurance that policies are being adhered to and national goals are being achieved. It compensates for the inevitable gap between the knowledge of the policy-makers and that of the operators. Monitoring includes financial and technical oversight, the auditing of data and the holding of agencies to account. It may also include the setting of industry standards and performance measures.

Natural gas: a gaseous mixture of hydrocarbon compounds; methane is the primary one.

Oil: A mixture of hydrocarbons usually existing in the liquid state in natural underground pools or reservoirs

Oligopoly: (1) market concentration or collusion, (2) product differentiation and demand conditions, (3) and barriers to entry for new actors.

Operational decision-making: involves managing the more short-term on the underground industry operations within the strategic framework. The organizational model for the operations function will reflect the role and degree of autonomy of the national oil company, the role assigned to international oil companies and the organization and effectiveness of the regulatory function. There is sometimes confusion as to which decisions are operational and which strategic when responsibilities are unclear.

Policy-making: Public policy typically comprises a set of objectives, laws, plans, political actions and standards of behaviour that aim to achieve goals in the national interest. As petroleum is a national resource, its exploitation requires policy to ensure maximum benefit to the country and its society. The petroleum sector also has to operate within a national policy agenda which sets out national goals, priorities and direction. In addition to policy specific to the petroleum industry, broader public policy may impact on the oil and gas sector. This could include, for example, measures to encourage private-sector involvement or increase the employment of nationals.

Production capacity: The amount of product that can be produced from processing facilities

Qa'immaqam: Deputy, a high official, Chief Minister or a Provincial governor

Regulation: the governmental function of controlling or directing economic entities through the process of rule making. All the constraints (legal norms, cultural codes, strategic dispositions, self-constraints) that govern the behaviour of actors.

Reserves (Gas): the amount of gas undergound that can be commercially recovered (reserves are normally quantified in trillions of cubic feet (tct) or billions of cubic metres (BCM). The amount of gas in place underground is normally defined with a percentage of certainty that the gas be commercially

Seven Sisters: "Seven Sisters" was a common term for the seven transnational oil companies of the "Consortium for Iran" oligopoly or cartel, which dominated the global petroleum industry from the mid-1940s to the mid-1970s. The industry group consisted of: Anglo-Iranian Oil Company (originally Anglo-Persian; now BP); Royal Dutch Shell; Standard Oil Company of California (SoCal, later Chevron); Gulf Oil (now merged into Chevron); Texaco (now merged into Chevron); Standard Oil Company of New Jersey (Esso, later Exxon, now part of ExxonMobil); Standard Oil Company of New York (Socony, later Mobil, now part of ExxonMobil).

Sheikh Title given to members of the ruling families of the Arabian Gulf states, to the chief or head of an Arab tribe, family or village and to religious leader

Sovereign Wealth Funds: are government-owned investment funds with no pension liabilities.

State: A sovereign political unit.

Strategy-making: The strategy function concerns how the oil and gas sector will deliver national policy objectives (e.g. the pace and means of oil and gas development, the programmes to build local capacity, priorities for the use of scarce resources, responses to uncertainty etc.). The distinction between policy and strategy functions is important, but is often unclear.

Subsidiary: An entity directly or indirectly controlled by a parent Company which owns 50%or more of its voting stock.

Chapter 1 Introduction and Overview

1 Introduction: Governance and Globalisation of QP

From December 2010 until today, Qatar Petroleum (QP) is the world leader in LNG with a production of 77,4 million tonnes per year (mt/y). QP, a state-owned entity (SOE), dominates the global industry of liquefied natural gas (LNG) and has become the world's leading actor of production and exportation of LNG. QP owns 13 % of the world's proven natural gas reserves and 5.1% of the production capacity[1], which places the country among the world's top gas resource-holders after Russia, Iran, and the United States. The State of Qatar is one of the most prosperous countries in the world, with a nominal GDP per capita of U.S.$ 64,705 in 2017[2]. QP is positioning itself to compete on the global gas market through strategic alliances with the world's leading oil and gas (O&G) companies, such as ExxonMobil, Royal Dutch Shell, Total and ConocoPhillips.

This thesis examines the patterns that drive the governance and globalisation of QP. It argues that the governance principal-agent model and the "going global" strategy of the Qatari National Oil Company (NOC) reflects the driving forces of cooperation between two separate actors – the State of Qatar (Principal) and QP (agent) - who sometimes share a common agenda and objectives, but in reality, often have quite divergent views. The thesis looks at the origins, national mission, objectives, functions, activities, and operations of QP, which are a significant part of the geopolitical, industrial and market dynamics of the global energy.

QP was established by *Amiri* Decree No. 10 in 1974. The creation of the SOE was necessitated by the fact that state-leaders had decided to assume full control of the country's oil and gas industry. The nationalization of natural resources arose from the conflict between International Oil Companies (IOCs) and the members of the Organization of Petroleum Exporting Countries (OPEC). It was a reaction to the monopoly of "Seven Sisters" and the colonial oil concessions system, with the aim of controlling national resources and improving their position in the power structure *vis-à-vis* the oil majors. The 1973 embargo was the result of the failure of negotiations between

[1] QP controls proved reserves of gas estimated at 858.1 trillion cubic feet (tcf). BP Statistical Review of World Energy June 2017. https://www.bp.com/content/dam/bp/en/corporate/pdf/energy-economics/statistical-review-2017/bp-statistical-review-of-world-energy-2017-natural-gas.pdf [available: 06/05/2018]

[2] According to the Planning and Statistics Authority, State of Qatar. 2017

the IOCs and the host governments, and the turning point in the changing power relations and OPEC's control of the oil price (Parra 2010).

From May 1935 onwards, the Qatari oil industry was driven by an oil concession agreement between the Anglo-Persian Oil Company (APOC) and the ruler of Qatar Abdullah bin Jasim Al Thani. The hegemony of APOC at the time and the oligopoly of the oil majors have marked conflicting power relations with the National Oil Companies (NOCs) in the Middle East. The emergence of the industry of oil and gas have replaced the pearling economy and have provoked the transformation of society and tribal organization, opening the way for the transition from a *sheikhdom* to the modern emirate.

The 1980s were a “missed opportunity” for QP to develop its LNG industry. The Iran-Iraq war frustrated the initiation of investment in and development of the Qatargas project. In addition, the low oil price crisis in 1986 hindered the development of the energy sector including LNG projects and generated a serious and severe income crisis for the government.

The era of liberalisation and privatisation have allowed the minister of energy and industry Abdullah Al-Attiya[3] to design and pilot the new partnerships between QP and the IOCs in 1992. His mission and objectives were to develop the LNG industry, especially after the shock of BP’s withdrawal from Qatargas. Al-Attiya achieved to replace this vacuum with the incorporation of ExxonMobil, a major oil company in the world. During the negotiations, ExxonMobil insisted on the creation of a new *joint venture* (JV) liquefaction company with 30% of ownership, which created the RasGas company. In this sense, Foreign Development Investment (FDI) was fundamental in the development of Qatargas and the creation of RasGas; a decisive factor for Qatari ruling to survive and develop its risky LNG industry. In the 1990s, QP turned from a curse into a benediction for the State of Qatar.

With windfall revenues of oil and gas in the 2000s, Hamad Al Thani bet on state–capitalism for the transnational accumulation of power. He has developed accelerated

[3] Interview with the minister of energy and industry Abdullah Al-Attiyah (September 1992 to January 2011). https://web.archive.org/web/20020702042318/http://english.mofa.gov.qa/get_gov_info.cfm?id=36 [available: 09/04/2018]

policies for the transformation of Qatar and the growth of its capacity. The economic crisis of 2008 was an opportunity to engage globally and to make the Qatari voice heard in the global debate on the reform of the international financial system. The Qatari Investment Authority (QIA), a sovereign wealth fund, has emerged as a global financial investor. These dynamics and interactions of the Qatari ruling elite have allowed its integration into the transnational capitalist class (TCC) under the Al Thani family, who had been leading Qatar's political and economic development since the mid-18th century. This process of cooperation between elites and authorities uncovers the new strategy of hegemonic political forces with a view to maintaining capitalist accumulation in an era of global markets (Cox & Sinclair 1996).

The globalisation of QP is a strategy for the Al Thani ruling elite to increase the capacity and market power of the NOC. QP's integration into the global network of production, commercialization, and financialization of the LNG sector is the key to the transnationalisation of the Qatari SOE. In the context of neoliberal globalisation, the nation-state has internationalized and subordinates itself to the logic of the capitalist market, disintegrating the economy of society (Cox 1996a). Consequently, the political objectives of the Qatari elite in today's international society are extremely complex and respond to the logic of neoliberal ideology, with a gradual increase in the contradiction between the principles of territoriality and of economic, social and transnational political interdependence.

On January 1, 2018, Saad Al-Kaabi Chairman and CEO of QP announced the new LNG company Qatargas, as a result of the integration of the Qatargas and the Rasgas companies' *joint venture*. "Qatargas will be the single entity exporting Qatari LNG to the world [….] this integration is an integral part of Qatar Petroleum's vision to become one of the best national oil and gas companies in the world, with roots in Qatar and a strong international presence"[4]. In September of that year, QP announced its intention to restart the development of the world's biggest gas field after a 12-year moratorium. The objective of the ruling elite is to raise Qatar's LNG export capacity from 77,5 MTA to 110 MTA until 2024, "[w]ith planned expansion of our LNG capacity by 2024, we look

[4] Gulf Times, 03 January 2018. https://www.gulf-times.com/story/576874/Qatargas-RasGas-merger-creates-state-owned-global- [available: 06/05/2019]

forward to further consolidation of our LNG presence in the global market [25 countries[5]]"[6].

The COVID-19 pandemic caused a major crisis in the energy market, and the price of Texas recorded an all-time low of $0. All producing countries and companies in the oil and gas sector suffered historic losses; Exxon, QP's largest partner, lost $20 billion. Also, the change of government in the US, from Republican Donald Trump to Democrat Joe Biden, accelerated the end of the 2017 embargo led by the Emirates and Saudi Arabia.

This chapter is organized as follows, the first section deals with the significance that the academic literature attributes to the concepts linked to our object of study: Qatar Petroleum (section 2); this is followed by a review of the academic literature that has dealt with the issue of NOCs (section 3); the next (section 4) presents the conceptual and analytical framework integrated into the fields of study and the theories that we consider most valuable for the choice of factors (independent variables) that may have a greater impact on our object of study: the globalisation of QP (dependent variable); the different hypotheses put forward in this work derive from these theoretical contributions. In a final section, the main methodological points of the research design are presented (section 5).

1.2 Defining and Clarifying Names in Oil and Gas

Contemporary oil and gas companies have a variety of different names and there is an overabundance of terminology described by various epithets: International Oil Company (IOC), Integrated Oil Company (IOC), National Oil Company (NOC), Oil Major, Supermajor, National Champions, Seven Sisters, State-Owned Enterprise (SOEs) and many more. Most of these energy-related terms are created and disseminated by the industry, academia, and the media and only a few can lay claim to an indigenous origin.

A basic concept used in this thesis which needs to be defined is State-Owned Enterprise, in Oil and Gas industry, which is known as "National Oil Company". As is usually the case with definitions, it is not easy to find one that cannot be challenged, especially if the phenomenon in question is complex and wider, both for the discipoines of political science and economics. In the *English Oxford Dictionary*, the State-Owned

[5] In 2018, Qatar exported LNG to 25 countries, mainly in Asia (Japan, South Korea, India, China, and Taiwan), Europe (UK, Italy, Spain and Belgium), South America (Argentina and Brazil) and the Middle East (Kuwait and UAE).
[6] Declaration of Mohamed Al-Sada Minister of Energy and Industry: https://www.gulf-times.com/story/596076/Qatar-possesses-competitive-edge-in-LNG-market-Al- [available: 06/05/2019]

Enterprise is defined as “a large organization created by a country's government to carry out commercial activities”[7]. This initial definition should be broadened, and its contours defined, through the consideration of other connected concepts, treated by the literature on the subject.

1.2.1 Distinguishing Public Bureau and Public Enterprise

Horn (1997), a political economist, argues that the governing elite determines the institutional forms of organization to provide services and the production of goods to its population. According to Niskanen, there are two principal forms of organization. The first type is public bureaus “non-profit organizations which are financed, at least in part, by periodic appropriation or grant” (Niskanen 1971:15). And, the second type is public enterprise, also frequently called SOE. According to Aharaoni, it is characterized by three features: 1) it is owned (or majority controlled) by the government; 2) it is engaged in the production of goods and services for sale: and 3) the sales revenues should bear some relationship to costs (Aharoni 1986).

According to Zeckhauser *et al.* (1989), SOEs are often seen as more efficient in meeting commercial objectives and as more flexible and independent than an administrative bureau, which is particularly important where the state entity faces changing environments in either the input or output markets. SOEs tend to be governed by a board, whereas bureaus are governed directly by the executive, which reinforces the relative freedom of SOEs (Horn 1997). For these and other reasons, most governments have opted for the establishment of formal NOCs, and in many countries there are overlapping activities and responsibilities between the NOC, the responsible petroleum ministry, and other public sector bureau. Iran is one example where the boundaries between the NOC and the executive are famously blurred (Marcel 2006).

Historically, whilst different countries have exhibited different levels of state ownership of companies, there are noticeable similarities in the structure of state involvement, i.e. which industries have the highest likelihood to be shaped by SOEs (Jones & Mason 1982). Apart from oil and gas, sectors such as postal services, railways, telecommunications, electricity, water, airlines, coal and steel industries have been prone to be state-owned. Whereas most of these are -or used to be- natural or normal monopolies and /or subject to market failures, natural resources are typically state-controlled for

---

[7] English Oxford Dictionary, https://en.oxforddictionaries.com/definition/state-owned_enterprise [20/12/2018]

political reasons, including high possible rents, domestic economic importance, and employment generation.

1.2.2 Distinguishing State-Owned Oil Enterprise from Private Oil Enterprise

In the oil and gas industry, there are two main corporate entities in its ownership structure, where the shareholders belong either to the public or private sector. On the one hand, state ownership means direct state control over a part or all of a country's petroleum industry. On the other hand, private ownership means direct private individual or organizational control over a part or all of the petroleum company's shares.

The ownership represents the principal feature of distinction between a National Oil Company (State-owned Oil Enterprise) *versus* an International Oil Company (Private Oil Enterprise). Terminologically, this demarcation has been introduced by the industry, academia, and the media during the nationalization era of oil and gas resources during the 1970s. Today, the two terms remain consolidated in the literature. We must point out a few observations: NOCs also operate at an international level and go beyond the national territory; they are not only dedicated to oil but also to gas or both (as QP, Gazprom); nor do they necessarily have the organizational form of a company. In this thesis, however, we will maintain the traditional custom of distinguishing NOC/IOC on the basis of ownership.

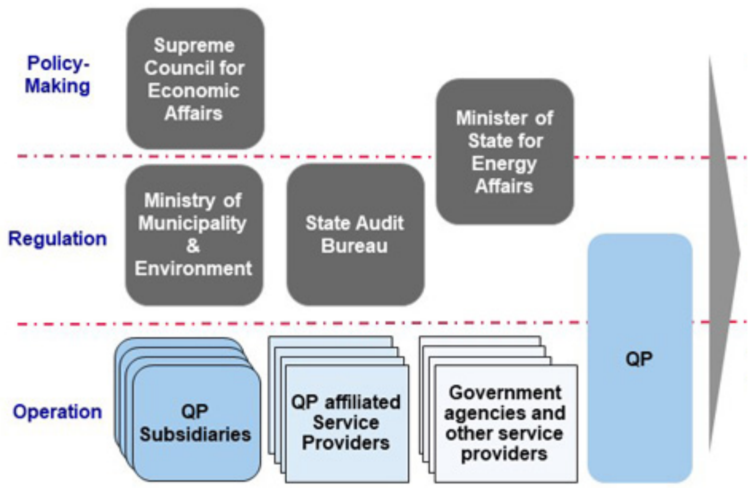
Comparing state oil and private oil, Wolf (2009) outlines seven endogenous variables in his empirical research on the effects of ownership on performance and efficiency. These factors that differentiate state oil from private oil have been classified at three levels: firm, country, and market; and are the following: 1) Non-commercial objectives, 2) Underlying asset quality, 3) Oil and gas reserves data 4) Production (depletion) policy, 5) Operational profile, 6) Taxation 7) Country-level variables, and 8) Market-level variables.

1.2.3 Distinguishing Governance and Government

Governance is not synonymous with government. Both concepts refer to behaviours aimed at the activity of governing, but they are differentiated by their regulatory system. Government implies an activity of governing structured on the basis of a formal authority, with political powers that ensure the implementation of policies. Governance, meanwhile, refers to activities that may or may not derive from legal or formal forms and that do not rely on political forces to achieve their implementation. Governance alludes to a broader concept because, although it involves the presence of governmental institutions, at the same time, it is composed of informal and non-governmental mechanisms, which satisfy the needs and desires of both individuals and organizations. In addition, it should also be taken into account that there is no clear hierarchy of power between the different actors influencing international society. According to Rosenau (1992: 4) "government suggests activities that are backed by formal authority, by police powers to insure the implementation of duly constituted policies, whereas governance refers to activities backed by shared goals that may or may not derive from legal and formally prescribed responsibilities and that do not necessarily rely on police powers to overcome defiance and attain compliance". (see 1.4.1.1.1 on Governance).

1.2.4 Distinguishing QP from the Oil & Gas Sector

In the Qatari oil and gas sector structure[8], different state institutions with different objectives are involved. Each actor has one or more functions. The diagram below shows the structure of the oil and gas sector, the main actors and their functions. Figure 1 shows the generic roles and functions among the main actors in the governance structure of the Qatari oil and gas sector.



Sources: 1 QP[9]

Figure 1 Oil and gas Qatari sector structure.

a) Policy-Making: The Supreme Council for Economic Affairs, sets the objectives and overall policies for the energy sector's development and planning. The Supreme Council oversees the energy sector and directs its policies and plans in accordance with the state's vision. The council is mandated to oversee all matters related to the energy sector, the

[8] Sector structure refers to the way in which actors are organized.

[9] QP, https://qp.com.qa/en/QPActivities/Pages/StateOfQatarLegalAndRegulatoryFramework.aspx

economy, the development of reserves and all policies related to the regulation of the financial and energy sector of the State of Qatar. The Minister of Energy Affairs sits on the council.

b) Regulation: There are four actors with different objectives and functions interacting in the regulation of the oil and gas sector: the Ministry of Energy Affairs (sets licensing requirements, licences operators and service providers), the Ministry of Municipality and Environment (sets specific rules and regulations for industrial cities and environment), the State Audit Bureau (regulates and audits the performance of the operators), and Qatar Petroleum.

c) Operation: QP and government agencies ensure the implementation of regulations. QP and its subsidiaries conduct operations as per established rules and regulations.

Although there is a (blurred) separation of functions, it should be noted that QP is directly involved in functions, such as regulation and operation, and indirectly involved in functions such as policy through its CEO who is the minister of energy affairs. Therefore, QP as the main actor has structural power in the oil and gas sector. We believe that QP is the main actor responsible for strategy development and business operations and has regulatory functions in the sector.

1.2.5 Distinguishing Globalisation, Transnationalization and Internationalization

a) Internationalization: Internationalization refers to the increasing importance of international trade, international relations, treaties, alliances, etc. Inter-national, of course, means between or among nations. The basic unit remains the nation, even as relations among nations become increasingly necessary and important.

b) Transnationalization: Transnationalism refers to economic, political, and cultural links that transcend national frontiers and borders. A transnational enterprise "is defined as a firm that organizes production in more than one country. These outputs may represent different stages of production, in which one output is an input into the production of another, or they may be varieties of the same product. Common to all TNEs is the existence of a central decision-making unit (HQ) that co-ordinates production, prices, and investment strategy in the countries in question" (Robson & Wooton 1993).

b) Globalisation: This can be understood as the integration of countries and peoples brought about by deep reductions in the costs of transport and communication, and the dismantling of barriers to the flow of goods, services, capital, knowledge, and people.

According to Stiglitz "[d]efinitions of global companies can therefore focus on the physical globalisation of the firm, on the importance of overseas markets for sales, on the extent to which an industry sector is dependent on one firm because of its specialized products or controlling stake in international trade, on the extent to which a firm's brand is globally appreciated, or on the extent to which the firms are able to influence the economic, political, and social environment in a number of markets. All of these definitions are appropriate for their purposes" (Stiglitz 2003: 9).

1.3 Theoretical Scholarship on NOCs and QP

Energy, and especially oil and gas, has been a relevant topic of study for International Relations (IR) and the International Political Economy (IPE). (Strange 1988; Kuzemko *et al.* 2018). NOCs, however, remain understudied in IR and IPE. Energy sector allows a great accumulation of power, especially since the end of the 19th century. And this is associated with the industrial and business complex, and particularly with the world's major oil companies. This is not the case when it comes to NOCs and SOEs. Most of the existing literature that treats the creation of NOCs and SOEs was produced in Political Science, Economics and Political Economy. Academics from both areas have highlighted the important role energy plays in the contemporary world. For realists, energy is a public good and a fundamental source and resource for power (Strange 1988). While for liberals, energy is a strategic good "commanding height", and states need to prioritize energy supply policies, so as not to be vulnerable (Keohane 1984).

Within this context, research on Qatar Petroleum is very limited. On the one hand, QP is among the least studied NOCs, because this public company emerged only at the global level in the 2000s, in parallel with the emergence of Qatar on the international scene. On the other hand, this is due to the lack of sufficient literature and information on the country and the company. So far, we have not found any published research work that studies QP in its entirety and in depth. The research closest to our object of study are the works developed about QP's gas and LNG by scholars such as Al-Kuwari (1981), Hashimoto *et al.* (2004), Flower (2011 and 2016) and Dargin (2011). These authors addressed the energy sector in Qatar from different sources - oil, gas, LNG - but did not associate it with the power structure and globalisation and governance of Qatar Petroleum.

Also, we have observed that there is a limited recent literature dealing with Qatar. The main aspects covered by this literature are: politics (Kamrava 2013; Tok *et al.* 2016); history (Fromherz 2012); foreign policy (Khatib 2013); diplomacy (Fromm 2019); security (Roberts 2017); mediation (Barakat 2014); economy (Gray 2013); and industry (El Mallakh 1979; 1985); and society and power (Crystal 1989). (Al-Emadi 2019) addresses the issue of joint operating agreements specifically in the context of the Qatari gas export industry.

Both works on QP and Qatar will be important sources and provide the background for this study. In the following subsection we will summarise the main literature and debates about NOCs; and offer our vision on this literature.

1.3.1 Power, Ideology, "Nationalism Resource" and Sovereignty

The literature attributes the creation of NOCs to ideology, where political ideology of the governing elite is the main explanation behind the creation, control, and maintenance of NOCs. In the 1970s, "socialist ideology", controls the oil and gas resources of the economy, and consequently the hydrocarbons are the basic objective for state ownership and control. For Mughraby (1966), the dynamics of sovereignty and economic nationalism has been highlighted since the 1950s, and this fact constitutes the main reason for the participation and intervention of the state in the industry. Mommer (2002) argues that the direct control of resources is a fundamental characteristic of the sovereignty of national and political decision making. The ideologies of the state elite were a fundamental aspect in the control of the NOC (Auty 1990); for example, Sonatrach -Algerian National Oil Company- became the symbol of national sovereignty and provided it workers with social services (Werenfels 2002). Madelin says that "Algeria envisages achieving socialism through Sonatrach" (1974: 128). For the government, forming an NOC can enable it to promote and control economic development, redistribute income, and advance national pride (Mabro 2007).

This thesis, however, approaches the research from another perspective and with another factor as causal explanation. The main explanation is not ideology, but the elites' quest for power to realise its objectives. But when goals contradict ideology, interests dominate. In any case, ideology is relevant for its justification (discourse) and its influence on policy orientation. National elites want to reposition themselves in competition with elites abroad and accumulate more power domestically.

Luong & Weinthal (2010, 2001) conclude that the ruling elites of the energy-rich states[10], that emerged from the Soviet Union's collapse in 1991, chose to maximize sovereignty in the energy sector to consolidate their power. They "all prefer more rather than less sovereignty, which translates into more rather than less control over their natural

[10] Azerbaijan, Kazakhstan, the Russian Federation, Turkmenistan, and Uzbekistan.

resources [...] state leaders in energy-rich states will choose development strategies that enable them to achieve a maximum level of sovereignty over their natural resources without thus threatening their continued rule" (Luong & Weinthal 2001). Their research were based on the theory of "the Curse of Resource" (Ross 2013)

Focusing on expropriation and nationalization, many scholars argue that high and abundant profits motivated governing elites to expropriate the IOCs (Guriev *et al.* 2011; Kobrin 1980, 1984; and Luong & Weinthal 2010)**.** Nationalization is just one means to increase control in the oil upstream sector (Kobrin 1980, 1984: 329). In other words, expropriation is different from control; although they may overlap or coincide, the former is an event of limited time as long as the other is a long term policy (Sarbu 2014). In the petroleum industry, the expropriation, the nationalization and the privatisation are controversial issues and decisions, because they generate major conflicts of interest between governments, oil companies and investors. The decisions to expropriate foreign firms and the nationalization of natural resources are incentivized by the net benefits that elite leaders expect from these policies compared to leaving investments in private firms. Controlling decisions at the NOC allows the ruling elite to further its political agenda (Banerjee & Munger 2004; Li 2009). Expropriation is understood as the transfer of output and physical asset ownership from a private oil company to host government, and this transfer generates important financial "windfall profits" (Kobrin 1980, 1984). According to Duncan (2000) and Guriev *et al.* (2011), expropriations in the Oil and Gas (O&G) industry are notable when there is a boom in oil prices.

Warshaw (2012) analyses forty-nine major oil-producing countries from 1965 to 2006, and he finds that from a systemic point of view, autocratic regimes with weak checks and balances are more likely to nationalize their oil industries than democracies; furthermore, state leaders focus on providing benefits to a thinner circle of elites.

1.3.2 Natural Resource Dependency

NOCs have been studied through the theory of Natural Resource Dependency (Barma *et al.* 2012; Tordo *et al.* 2011**;** and Lynn Karl 2007). These studies are based on the Resource Curse literature (Ross 2013), which demonstrates the negative effects of natural resource dependence on economic growth and development outcomes. Scholars argue that the higher the government's dependence on the oil sector, the greater the importance and support a NOC receives from the government. In turn, NOCs provide a significant part of their revenues to the government (Tordo *et al.* 2011). It is therefore possible to talk about a transfer of public resources. The Rentier State theory (Beblawi & Luciani 2015) also highlights the dependence of oil-exporting countries on income generated externally. According to Herb, "a country is typically considered a rentier when rent revenues make up a minimum percentage of all government revenue, when oil exports make up the bulk of GDP, or something similar" (2009: 376). Aurèlia Mañé and Carmen de la Cámara define oil-rentier economies as economies "in territories where the management of the hydrocarbon sector is carried out with the – political – objective of obtaining the highest possible rent from the subsoil for the national citizens" (Mañé & de la Cámara 2005).

1.3.3 Institutional Organization and Principal-Agent

The principal-agent model is applied to explain the reason why states opted to create NOCs. Scholars such as Ross (2013), Grayson (1981) and Van der Linde (2000) consider that NOCs are created as agents of their principal-states because their mission as agents is easier to control than foreign oil companies. In the eyes of governments, the former are not to be trusted; in the sense that they can lose control over rents and the process of resource extraction. Waelde (1995) remarks that they are "major actors on their own, interposed between the government per se and, mostly foreign, oil companies"; governments use NOCs to control foreign companies involved in the development of the oil and gas industry. The colonial legacy of the "seven sisters" oil companies and the concession system and its oligopoly were the worst practices that caused distrust in oil producing countries; especially those belonging to OPEC. Governments and their NOCs are thus separate actors, who may share a common agenda and objectives, but in reality, often have quite divergent views.

1.3.4 Economic Performance

The performance of NOCs has been the subject of research for many scholars and institutions. As projects on the empirical literature of NOCs, case studies and comparing performance, we underline the Rice University's Project on "The Role of National Oil Companies in International Energy Markets"[11]; Stanford University's Project "National Oil Companies: Strategy, Performance and implications for global Energy Markets" (Victor *et al.* 2012); and Marcel *Oil Titans* interesting research book (2006b). Other researchers have been studying quantitatively the efficiency and the ownership effects on the performance of NOCs; see Eller *et al.* (2011); Victor (2007); Hartley *et al.* (2008) and

[11] Baker Institute, Rice university. https://www.bakerinstitute.org/center-for-energy-studies/role-national-oil-companies-international-energy-markets/

Wolf (2009). Also, the World Bank has reviewed the value creation of the NOCs (World Bank 2008, 2009; and Tordo *et al.* 2011).

1.3.5 State Capitalism and NOCs

The explanation of NOCs in state capitalism literature has focused on the dominant leading role played by state-owned enterprises in the economy, including those in the oil and gas sector. NOCs and State capitalism are a threat to the global economy and free market (Bremmer 2009, 2010). According to the explanations of scholars of the capitalist state, the ruling elites use SOEs as tools and instruments to extend their political and economic power in the international industry and market. In this sense, SOEs of China, Russia, Persian Gulf and elsewhere, are the cases that most justify this explanation of NOCs inside of the capitalist state (Bremmer 2010; Kurlantzick 2016; and Meckling *et al.* 2015)

1.3.6 Conclusion from Literature Review: The Gap of QP and Research Relevance

The existing literature to date provides important insights into national oil companies, but only very little information in the case of QP. Therefore, it leaves open an important gap which this case study addresses. This thesis is a theoretical and empirical contribution to the existing research on NOCs with a focus on QP. We will build on the literature mentioned in the previous section, and in addition incorporate the sociology of power, regional studies of the Arab Gulf and the historical *longue durée* perspective into our analysis. This effort to do a transdisciplinary analysis that crosses different fields can help to provide a better explanation of the governance and globalisation of QP and the oil and gas sector.

Our case study covers the entire twentieth century, from the recognition and creation of the Qatari emirate to the development of the country's oil and gas sector. But our focus of analysis lies on the decades between 1990-2010. This is not meant to be a historical thesis, but we try to provide enough historical information to understand the policies in their real context.

1.4 Conceptual and Analytical Framework

As mentioned previously, the literature on Qatar Petroleum is very limited and does not offer a clear explanation about the oil company's governance and global strategy. Our research is largely based on the literature of NOCs and Qatar mentioned in the previous section and will incorporate other aspects and theories that can improve our explanation, and which are used to shape our conceptual and analytical framework. In this sense, our study is closely connected to the literature on globalism, transnationalism, elite and power; and also, linked to the literature on the International Political Economy of energy (specially in Arab Gulf States).

The focus of our research question is the examination of patterns driving the governance and globalisation of QP, referred to in section 1 of this chapter. We consider three main patterns (each pattern is composed of different factor-patterns) that explain our dependent variable: 1) elite's policies (nationalization, privatisation and liberalisation), 2) institutional capacity (administrative capacity and decision-making), and 3) nature of resources (oil, gas and LNG). These patterns are presented in the following subsections, and the research design is dealt with in the last section of the chapter.

1.4.1 The Dependent Variables: Explaining Governance and Globalisation of QP

Our goal is to explain QP in two dimensions. Firstly, and most importantly, we want to explain "governance", and secondly "globalisation". We start from the principle that there is a link between the two. That is, there is a linkage between governance and globalisation, equal to the non-separation of the domestic from the global in line with Ferguson & Mansbach (1991: 373) and Izquierdo & Etherington (2017: 34).

1.4.1.1 Explaining Governance of QP

1.4.1.1.1 Defining Governance

By governance we mean the system of management and decision-making in the SOE Qatar Petroleum, taking into consideration all its aspects, institutional and non-institutional. We have chosen to take the position of Chhotray & Stoker's (2009: 3) definition of governance based on a cross-disciplinary approach. According to them: "Governance is about the rules of collective decision-making in settings where there are a plurality of actors or organisations and where no formal control system can dictate the terms of the relationship between these actors and organisations".

The authors use four main elements to explain governance: 1) Rules: In a governance system, rules can range from formal to informal. Decision-making procedures are usually embodied in some institutional form and may be relatively stable over time, although not necessarily immutable. The specific combination of formal and informal institutions that influences how a group of people determines what to decide, how to decide and who should decide. In short, they are the "rules in use" according to Ostrom (1999:38) quoted from (Chhotray & Stoker 2009: 3). 2) Collective: In a governance system, collective decisions involve matters of mutual influence and control. As such, governance arrangements often imply rights for some to have a say, but responsibilities for all to accept collective decisions. 3) Decision-making: In a governance system, decision making may be strategic, but it may also be contained in the day-to-day practice of a system or organization. Deciding something collectively requires rules about who can decide what and how decision makers are held accountable. Governance frameworks can focus on collective decision making in social systems or in the internal processes of organizations. Governance can refer to collective decision making on global issues and the rules governing a local executive or administrative body. It should be noted that micro and macro perspectives are connected. 4) and finally, *"no formal control system can dictate"* relationships and outcomes. In other words, *"no one is in charge"* in the governance system. One-person rule is the opposite of governance, which is collective rule. The forms of social interaction characteristic of governance are based on negotiation, signals, communication and hegemonic influence, rather than direct control and supervision (Chhotray & Stoker 2009: 3-4).

1.4.1.1.2 Governance Approaches

The concept of governance emerged in the context of the economic crisis of the 1980s and opened the debate on the capacity and effectiveness of government. In this sense, the first reforms aimed at privatizing (sectors such as telecommunication, energy, banking and finance), deregulating and reforming public administrations, emerged in the US and the UK, promoted by Donal Reagan and Margaret Thatcher respectively. Generically, the concept arises to refer to something broader than the concept of government. Rather, a new form of government capable of expressing the changes taking place in developed societies since the end of the 20th century, such as globalisation, the fall of communism, the crisis of governability. The crisis of governance generated a transformation in the way of understanding the state and the relations between states. This led to changes in state-society relations and international relations between states in order to guarantee the stability of the political system, resolve conflicts and tensions and respond effectively to the problems of the new millennium.

There is much debate about theories of governance, and whether they offer a valuable and challenging dimension to our understanding of the contemporary social, economic and political world. The main disciplines that have generated literature on the concept of governance are Political Science, Economics, Development Studies, International Relations and Socio-Legal Studies. At the practical level, literature has also been generated on corporate governance, participatory engagement and environmental management. Therefore, the concept of "governance" is used at various levels and generalities and within various theoretical contexts. There is no single way of understanding the concept of governance. The concept itself conveys, above all, a more diverse vision of authority and its exercise. In the following, we will summarize the literature generated by International Relations and Political Science.

1.4.1.1.2.1 Governance Concept and International Relations

1.4.1.1.2.1.1 Governance Concept and Academia

In International Relations' academia, global governance refers to the development of increasingly dense networks of actors that emerge in the absence of a world government to direct and manage problems on a planetary scale (Held & McGrew 2003: 74). One of the main elements of consensus among authors who have analysed this concept is that global governance denotes the extension of multilateralism and the participation of different non-state actors in global governance, in different spheres and at different levels of decision-making.

The concept of global governance entered the agenda of International Relations theory with the work of Rosenau and Czempiel (Rosenau *et al.* 1992) *Governance without government. Order and change in World Politics*. With this collective work, the concept acquired a new focus and was used to analyse changes in the distribution of power between nation-states and non-state actors in the structure of world affairs. Rosenau (1992b) highlights three aspects: (1) the link between global governance and the transformations brought about by globalisation; (2) the emergence of different non-state actors in the governance of global frameworks; (3) and finally, the relocation of the concept of authority in global governance.

Governance, according to Rosenau (1992b), is an ongoing process that it is uncertain how it can be consolidated, and which is based on the absence of a world government exercising authority. This intergovernmental deficit creates gaps that have been filled in recent years by private and civil governance initiatives. Rosenau presents the main challenges posed by the concept of global governance in the framework of world politics. For him, it is a system of regulation and a new world order that incorporates informal elements - as opposed to the formal ones established by nation-states - and also the role of new non-governmental actors as regulators.

In the field of International Relations, different elements explained the emergence of the concept of global governance at the end of the 20th century as a leitmotiv in a context of change (Held & McGrew 2003). (1) The end of the Cold War transformed the bipolar order dominated by the United States and the Soviet Union, which generated a boost in the international context to the prominence of multilateral relations. (2) The processes of economic globalisation have led to a demand for a renewal of multilateral cooperation frameworks, notably through the transformation of the role of intergovernmental economic organisations in the provision of global public goods and the need to manage globalisation. (3) And finally, it can be said that the transnationalisation of the world economy has transcended the borders of nation-states, posing transnational challenges that have come to be managed by multiple actors, especially companies and global civil society organisations.

The concept of global governance is relevant for describing transnational governance structures and processes, where there is no supreme, sovereign political authority. In the absence of a world government, this concept makes it possible to describe the links between systems of decision-making, political coordination and conflict resolution that transcend the power and authority of nation-states and national societies (Rosenau 1992b). In the global context, there has been a shift from state-centrism to polycentrism, which has transformed the instruments, frameworks and forms of global governance. The transformations in the productive structure and the constructive processes of globalisation have led to major globalisation have brought about important transformations in the governance of the contemporary world (Scholte 2005).

With the impetus of the dominant neoliberal ideology promoted by the states themselves and the transnational capitalist class, a series of global governance spaces has expanded in which private authorities play a very prominent role. Corporations have a counterweight in the form of global civil society, which has also moved from acting in a state space to acting in a transnational space.

The study of global governance today emphasises a diversity of actors, mechanisms and ways of managing and regulating global issues (Rosenau *et al.* 1992). To analyse the role of non-state actors in global governance, especially business and global civil society, one must bear in mind the spaces where political decisions are made and where authority is exercised. In this sense, the act of governing the global is a complex and volatile process that includes the negotiation and development of programmes and policies between state actors and the emergence of non-state actors that are increasingly involved in transnational political decision-making, a fact that has greatly expanded multilateralism.

1.4.1.1.2.1.2 Governance Concept and Supranational Institutions

In supranational institutions such as the World Bank, the United Nations, or the European Union, good governance is used as a guiding principle for their policies. It has a normative component that informs what good governance should look like in the political and economic spheres: (1) in the political sphere: democratic legitimacy, effective systems of accountability, etc.; (2) in the economic sphere: definition of property rights, or application of corporate governance principles to the public sector, etc. (Chaqués & Palau 2006).

Around the United Nations, the concept of global governance was promoted, and explicitly referred to the reform processes of intergovernmental organizations to improve their efficiency or the internal governance conditions of developing societies. In 1991, with the support of the United Nations and on the initiative of German Chancellor Willy Brandt, the "Commission of Global Governance"[12] was created. This Commission brought together experts[13] on disarmament and security, environment and development issues in the context of the major challenges of world politics. Although it was not an

---

[12] The "Commission on Global Governance" was created in 1992 under the impetus of German Chancellor Willy Brandt, who ten years earlier had chaired the Independent Commission on International Development Issues, and brought together people who had worked on the Independent Commission on Disarmament and Security Issues, the World Commission on Environment and Development and the South Commission. It received funding from the United Nations Development Program (UNDP), and financial support from different governments and international foundations (MacArthur Foundation, Ford Foundation and Carnegie Corporation).

[13] Ingvar Carlsson, Shridath Ramphal, Ali Alatas, Adblatif Al-Hamad, Oscar Arias, Anna Balletbo, Kurt Biedenkopf, Allan Boesak, Manuel Camcho Solis, Bernard Chidzero, Barber Conable, Jacques Delors, Jiri Dienstbier, Enrique Iglesias, Frank Judd, Hongkoo Lee, Wangari Maathai, Sadako Ogata, Olara Otunnu, I. G. Patel, Celina do Amaral Peixoto, Jan Pronk, Qian Jiadong, Marie-Angélique Savané, Adele Simmons, Maurice Strong, Brian Urquhart, and Yuli Yorontsov.

official United Nations project, it was supported by the Secretary General, Boutros Boutros-Ghali. According to the Commission on Global Governance (1995: 2), governance "is the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and co- operative action may be taken. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people and institutions either have agreed to or perceive to be in their interest".

In 1995, this Commission presented a report in Stockholm called *Our Global Neighbourhood*, with the aim of exploring the opportunities opened up after the end of the Cold War to build a more effective system of global security and governance. According to this report, global governance did not imply the existence of a world government or world federalism, but was presented as a new system of world governance that should respond to the collective will and common responsibility of humanity as a whole. To this end, a call for common action was made, proposing new ways to improve the management of the planet's survival, to share diversity and to live together in a global community.

1.4.1.1.2.1 Governance Concept and Political Science and Public Management

In Political Science and Public Management, the concept of governance is a broader concept than that of government, i.e. it goes beyond the governmental organisational structure and implies the development of cooperative networks between the public and private sector to exchange resources, achieve common goals and maximise results (Kooiman 1993; Rodhes 1996).

In Public Policy Analysis, the concept of governance is particularly identified with (1) public administration reform; and (2) the creation of political networks. In the 1990s, the concept of new governance emerged in Political Science through the work of public management analysts as Kooiman (1993) and Rodhes (1996). These authors referred to the emergence of new forms of public-private governance in the contexts of social, educational and local development management, and in response to the deficiencies and failures detected in governmental public management. It referred to the emergence of new forms of interaction between government and civil society at the end of the 20th century, especially in countries such as the UK, Australia and Northern Europe. According to Kooiman (1993: 4), governance is the set of theoretical conceptions of government that incorporate the interactions between public and private actors, and that aim to solve society's problems. His perspective on governance alluded to cooperation in management between the public and private sectors through public-private partnerships to manage collective aspects that unilateral action by the public sector could not reach.

Later, Rodhes (1996) analyses the emergence of six distinct uses of the concept of governance in domestic politics, especially in the United Kingdom in the 1980s. These uses conceptualize governance: 1) as a minimal state and the participation of market operators in the provision of public goods; 2) as good corporate governance, which is the management and control of business based on criteria of transparency, integrity and accountability; 3) as new public management in two senses: either as the introduction of private management methods in the public sector (managerialism) or as the introduction of market-based competitive mechanisms in the provision of public services (institutional economics); 4) as good governance, in the sense that it is the introduction of private management methods in the public sector (managerialism) or the introduction of market-based competitive mechanisms in the provision of public services (institutional economics); as good governance, in the sense given by international economic organisations, as a combination in developing countries of the prescriptions of new public management and the adoption of liberal democracy; 5) as a decentralised socio-political system, plural in terms of the actors involved (both public and private), all interdependent, with shared objectives and committed to new forms of action, intervention and control; and 6) as a set of self-organised and autonomous networks of action involving public and private sector actors. Among all these uses, Rodhes (1996) defines governance departing from point number six as the transformation of government systems from a system of local government to a system of local governance, which includes the development of self-organising networks between the public and private sectors.

1.4.1.1.2.1 Governance Concept's Critiques

The concept of governance has been the subject of much debate; and it has not been without criticism from many sides and disciplines. Alain says it is a conceptual Coup d'état that managed to disguise neoliberal savagery as a model of "good governance". He states in his book *Gouvernance: Le Management Totalitaire* that society will pay the price for the policies of the deregulation of the economy, the privatisation of public services, the clientisation of citizenship, or the equalisation of trade unions... "This is what governing will consist" (Deneault 2013). Along the same lines, Ives argues that the concept of governance as defined and put into practice by contemporary western governments meshes perfectly with the key tenets of neoliberalism. By advocating a method of management based on placing a variety of actors in competition, not only does it produce a model reminiscent of the free market, but it also contributes to the neoliberal objective of placing power squarely in the hands of those with capital (Ives 2015). The concept of global governance is also criticised, with some sceptical authors seeing it as a concept in search of a theory. In this sense, the definitions of governance elaborated by WB, IMF, OECD and other international organisations have also been criticised by Sinclair (1999) and others authors.

We believe that the neo-liberal hegemony and its scientific paradigm has greatly influenced the acceptance of governance as a mechanism of stability that avoids conflict. According to Bourdieu:

> "In effect, neoliberal discourse is not just one discourse among many. Rather, it is a "strong discourse" [...]. It is so strong and so hard to combat only because it has on its side all of the forces of a world of relations of forces, a world that it contributes to making what it is. It does this most notably by orienting the economic choices of those who dominate economic relationships. It thus adds its own symbolic force to these relations of forces. In the name of this scientific programme, converted into a plan of political action, an immense political project is underway, although its status as such is denied because it appears to be purely negative. This project aims to create the conditions under which the "theory" can be realised and can function: a programme of the methodical destruction of collectives."[14]

1.4.1.1.3 NOCs and Governance within the Principal-Agent Model

We place NOC governance systems within the principal-agent model applied to explain the reason why states opted to create NOCs. Scholars such as Marcel (2006) Ross (2013), Grayson (1981) and van der Linde (2000) consider that NOCs are shaped as agents of their principal-states. Many of the ideas of this model motivated policy makers to establish NOCs during the nationalisation decade of the 1970s. At their core, NOC governance systems function as a type of contract between the state and the NOC in which the state has authority over the NOC. The state, acting as principal, relies on its governance system to direct the NOC, acting as agent, to fulfil the state's objectives (Marcel 2006). Due to its day-to-day experience, the NOC has more information than the state about the NOC's activities, especially in countries with weak administrative systems (Mommer 2002). NOC managers also have different interests than the state, including political promotion, reputational enhancement and personal enrichment. Therefore, the

[14] Le Monde Diplomatique, December, 1998. https://mondediplo.com/1998/12/08bourdieu

challenge for the state is to motivate the NOC to comply with state orders despite differing interests and incomplete information. To overcome this challenge, states rely on a combination of tools that form the core of NOC governance.

In the NOC literature two aspects of governance are highlighted: the rule function and the form. In the functional approach there are different procedures: (1) *ex ante* procedures to approve NOC decisions; states use these procedures to dictate NOC decision-making to overcome the different incentives of the agent in the principal-agent relationship; and (2) *ex pos*t monitoring to follow up on these decisions. In turn, states practice *ex post* monitoring to reduce some of the information asymmetries inherent in the principal-agent relationship. In the form approach, two types are highlighted: 1) formal, *de jure* instruments embedded in the legal framework of the state and in the statutes of the NOC organisation; and to 2) informal, *de facto* instruments that embody the interpersonal links and power relations between the state and the NOC (Hults 2012: 66-69).

1.4.1.2 Explaining Globalisation of QP

Our second objective is to explain the globalisation of QP, which we define as global interconnectedness in all processes, and at all levels. There is an extensive literature on the subject of globalisation, which is impossible to address in its plurality within the framework of this thesis. We have chosen to position ourselves in line with the definition of globalisation according to Held, McGrew, Goldblatt and Perraton (1999: 17). These authors define globalisation as “a process (or set of processes) which embodies a transformation in the spatial of social relations and transactions -assessed in terms of their extensity, intensity, velocity and impact -generating transcontinental or regional flows and networks of activity, interaction, and exercise of power”. In a more concise way “globalisation refers to the widening, deepening and speeding up of global interconnectedness” (Held & McGrew 2003: 67).

1.4.1.2.1 Globalisation Approaches

According to Held *et al*. (1999) and Held and McGrew (2002), there are two main approaches that attempt to explain globalisation from different perspectives: sceptical positions and globalist positions. For the sceptics, globalisation is an ideological entity and not a real one. They claim that the conception has been socially constructed by authors, lobbies and political and social institutions with links to corporate power and

American neoliberal political elites (Cox 1996c). The creation of the concept aimed to legitimize the economic neoliberalism that had developed in the 1980s. Sceptics of globalisation agreed on the basic thesis that the economic transformations that took place in the last decades of the 20th century did not represent a fundamental historical change, but that there had been other historical processes of expansion of international trade flows earlier in contemporary history. Their argument is evidenced by the existence of various historical processes of expansion of international trade flows. P. Hirst and G. Thompson (1996) use data and statistics on international trade and investment for the periods between 1870 and 1914 and between 1945 and 1970, to consolidate their thesis of expansive cycles.

In their book *Myth of Globalisation* (1996), Hirst and Thompson argue that globalizing economic forces sought to influence ideologically to justify the loss of power of public actors, and nation-states versus private actors, and corporations. They point out that there was not a process of global evolution, but rather a movement of regionalization of the world economy. In their analysis, they affirm that the capitalist power of global markets has not changed, and that in fact, it is still installed in the regions of the developed world such as Europe, the United States, and Japan. In synthesis, "the myth of globalisation" is based on the ideology of the free circulation of companies in the markets, without any control or regulation on the part of governments. Hence, for the sceptics, globalisation is an ideology promoted by neoliberal power.

For globalists, on the other hands, globalisation constitutes a radical historical change that needs analysis as a new stage in the history of humanity. According to Ōmae (1995), as a result of these new economic and technological transformations of the stage, a global market controlled by market forces has emerged. Globalists argue the existence of a new space of global capitalist power, led by private authorities such as transnational corporations and financial groups.

According to Scholte (2005) globalisation is a central force that is structuring the processes of social, economic and political transformation, and that, at the same time, has transformed the world political order and contemporary society.

1.4.1.2.2 Globalisation Dimensions and Features

Several studies indicate that the processes of globalisation have been defined by several dimensions: economic, industrial, market, culture, military, environment, social, etc. In this thesis, we will focus on the following three pertinent dimensions: a) the transnationalization of production, b) the commercial integration of goods and services markets, and c) the integration of the global financial system. It should be mentioned that technology has had a driving role in the transformation of the structure of the mentioned factors.

1.4.1.2.2.1 The Transnationalization of World Production

Beginning in the 1970s, the intensity and extent of global production networks is a key feature of the transformation and transnationalization of world production (Castells 1996; Held *et al.* 1999; and Scholte 2005). The expansion of world production has gone hand in hand with the organizational transformation and dismantling of national corporate models of the enterprise, and the construction of a flexible business model for transnational integration and a production system adapted to demand. According to Dunning (1993), flexible and alliance capitalism develops dynamic and more competitive regional and global markets, with extensive planetary interdependence of company locations and commercial networks, and an international division of labour. In the oil and mining sector, inter-company (post-Seven Sisters) alliances and partnerships emerged that contributed to the concentration of market power in a small group of Transnational Corporations (TNCs). The 1973 oil price crisis and its impact on the international economic system accelerated these partnerships and cooperation between companies.

Transnational supply chains and subcontracting created global networks for the production and distribution of goods and services in the 1990s. According to Held *et al.* (1999: 255-256), there is a direct relationship between the globalisation process and the development of global production networks for goods and services. In the oil industry, strategic alliances and cooperation agreements were developed between companies from different countries in the form of *joint ventures*. These agreements or alliances establish different types of subcontracting relationships, venture capital operations, shared risk operations, with the objective of developing specific products and entering specific markets. In this way, these strategic alliances acquire a global dimension and approach (Held *et al.* 1999: 268-269).

The development of these organizational dynamics of transnational production networks has resulted in the concentration of the market in the hands of large companies that disperse their global production networks all over the planet and generate an economic dependence in the local productive tissues of the periphery.

1.4.1.2.2.2 The Integration of Regional Markets

The process of trade integration of markets for goods and services (Held *et al.* 1999) was developed in parallel with the transnationalization and expansion of global production networks of goods and services. After the end of World War II, the U.S. government and its allies decided to push for the liberalisation of the international economic structure (Strange 1998).

In Bretton Woods (1944), the winners of the war established a new international economic system that promoted free trade, international investment and an end to protectionist policies. The economic structure and agreed rules have maintained the development of the global economic transformations that took place at the end of the 20th century (Strange 1998). The General Agreement on Tariffs and Trade (GATT) was one of the main instruments that promoted liberalisation. It also allowed for the progressive dismantling of the system of national tariffs in order to contribute free international trade. At the same time, the International Monetary Fund (IMF) favoured the regulation of the international monetary system.

According to the statistics of the World Trade Organization (WTO) and the IMF, in the period from 1945 to 2015, global and regional trade networks have been geographically concentrated in free trade areas, the European Union, the United States and Asia-Pacific. In synthesis, the integration of the regional markets of goods and services was configured through intensive and extensive networks of commercial relations virtually interconnected at the planetary level.

1.4.1.2.2.3 The Integration of Financial System: Financialization

According to Sinclair (1999) and Strange (1998), globalisation processes reside mainly in the financial system. During the 1970s, an intensification of capital flows was detected in the financial markets: foreign direct investment (FDI), capital investments in shares, credit exchanges, development aid flows between countries, monetary flows, etc.

The financial and monetary systems designed in Bretton Woods and its two instruments IMF and the World Bank (WB) could not maintain the stability of the liberal economic order that emerged from the post-World War II period. The financial crisis of the winter of 1956 caused a blockage in the financial system and later (1971-1973), resulted in the rupture of the system of fixed parities (gold-dollar pattern), which turned the international monetary system into a flexible exchange system (Strange 1998).

After the 1973 economic crisis caused by the OPEC embargo and which resulted in higher oil prices, international capital markets were affected by large flows of Eurodollars from oil-exporting countries, generating rapid short-term capital movements that prevented central governments from maintaining parities in their currencies (Strange 1998) and (Held *et al.* 1999).

The emergence of the global financial system was due to four factors on the international stage (Strange 1998). First, the collapse of the financial and monetary system arising from the Bretton Woods agreements. Second, the economic crisis and the emergence of the new market of Euromarkets, led by the London City market since the mid-1960s. Third, the national deregulation of financial markets favoured by governments. The fourth and final determining factor was the incorporation of new information and communication technologies into the financial sector in the 1970s, which facilitated the management of large volumes of financial exchanges. At the same time, the speed of financial transactions increased worldwide.

For Strange (1998), the state has lost its power in the financial markets. The deregulation of internal markets and the liberalisation of capital movements have undermined the autonomy of governments within the framework of their economic policies (Underhill 2000: 111). In this way, the international financial structure of global markets grew *vis-à-vis* the state-dominated national financial system of central banks (Robinson 2011).

1.4.1.3 Governance and Globalisation as Interrelated Processes

We depart from the principle that there is a link between "governance" and "globalisation". Globalisation and global governance are two concepts that cannot be analysed independently. The nature and pace of the changes associated with globalisation have, in the last years of the past century, highlighted the need for new instruments to govern the transnationalised political economy (Held & McGrew 2003).

For Keohane and Nye, "globalization, therefore, does not merely affect governance; it will be affected by it", the authors argue that governance "refers to the emergence and recognition of principles, norms, rules and procedures that both provide standards of acceptable public behaviour, and that are followed sufficiently to produce behavioural regularities" (Keohane & Nye 2002: 10).

Globalisation had intensified spatial interconnections across the planet and consequently altered personal behaviour. Global change implied the end of the primacy of government and the entry of new non-state actors into a new framework of global governance. In analysing the actors involved in these new forms of global governance, Rosenau found an enormous variety of forms that emphasize the dynamics of proliferating processes and integrate contradictory tendencies, local and global, dynamics of cohesion and conflict (Rosenau 1992a).

Today, the debate that undoubtedly best reflects the tensions in International Relations theory is that of the link between the domestic and the global spheres. We shall see how this link is analysed and its major impact on the actors under consideration and their definition, the dynamics established between them as well as the structure of the system. For Kennett (2008: 12-3):

"Globalization and governance are clearly interrelated processes, each with the potential to shape the other. Globalization needs to be understood not as a dynamic, inevitable force, and 'ascribed a kind of ubiquitous causal agency' (Tickell and Peck, 2003, p. 163) which has impacted on states and governance structures, but instead as a process which unevenly and contingently shapes the 'field of action' of governance structures. Domestic governance continues to play a key role in steering and supporting, to varying degrees, the pace, extent and impact of global interaction. As Lake (2000) argues, globalization itself 'is the product of a particular form of governance rooted in the domestic political economy of the earlier industrialisers' (p. 32)".

1.4.2 The Independent Variable: Patterns Explaining Governance and Globalisation of QP

1.4.2.1 Qatar's Elite Policies

1.4.2.1.1 [Trans]national Accumulation

1.4.2.1.1.1 Elite and Power

The ruling elite chooses policies that respond to their logic of competition for the accumulation of power and survival, and depending on the national and/or international context. In the petroleum industry, the nationalization, the expropriation and the privatisation are controversial decisions driven by two different logics, which are driven by national accumulation or/and by transnational accumulation; although the boundaries between the two are complex (Carroll 2010; Robinson 2011).

1.4.2.1.1.2 National Accumulation

Qatar's political elite controls the oil and gas resources to retain and accumulate power. And the O&G industry's structure is the major resource of power and the main goal for the monarchy's elite. Losing this resource means to lose power. Therefore, leaders of the Al Thani family have made strategic decisions in the O&G industry in order to perfect their ability to retain and accumulate power. With the control of the company, the elite seeks to maximize the profits of QP to accumulate capital and maintain the activities of the state. The primary elite makes rational decisions in competing for differential accumulation of power, with the principal objective to survive in power and to improve its position in the national structure (Bueno de Mesquita *et al.* 2005; Izquierdo 2009; and Nitzan & Bichler 2013).

The decision to expropriate foreign firms and to nationalize natural resources is incentivized for the net benefits that elite leaders expect from expropriation compared with keeping investments in private firms (see chapter 6). Duncan (2006) and Guriev *et al*. (2011) find that expropriations in the O&G industry are observable when there is a sharp rise in oil prices. The statistical study of Warshaw (2012) underlines four expropriation events that took place in Qatar (1972, 1974, 1976 and 1977). The nationalization of natural resources facilitated the international commitments of Qatar as an OPEC member. The state ordered its NOC to comply with production quota estimated at 10%. In this way, the government had direct control over QP's production and depletion policy and limited its capacity and behaviour. (See chapter 6).

The objective of Qatar's political elite when making decisions about the measures of expropriation and nationalization of the O&G industry is the national [and transnational] accumulation of power. In other words, to retain power and political control at the national level.

1.4.2.1.1.3 Transnational Accumulation

In the context of globalisation, elites are opting for the transnational accumulation of power to improve their position at both national and transnational/global levels. According to Robinson (2011), "[g]lobalisation became a viable strategy as capitalists and state managers searched for new modes of accumulation [of power]". 'Going global' allowed the ruling elite new forms of accumulation of power in different global and transnational circuits of accumulation.

The globalisation of QP is an opportunity for the Qatari political elite to increase the capacity of this powerful resource, and to integrate into the network of the transnational elite. In the context of economic globalisation, the nation-state has internationalized and subordinates itself to the logics of the capitalist market, disintegrating the economy of society (Cox 1996b). Consequently, the political objectives of the state in today's international society are extremely complex and respond to the logic of neoliberal ideology, with a gradual increase in the contradiction between the principles of territoriality and economics, social and transnational political interdependence.

Qatari statecraft is inspired by the Singapore model in its vision [both belong to the small states category] to position itself at a global level[15]. And, by globalizing Qatari SOEs, the elite will be able to use them as an instrument of internal and external policies to compete with TNCs in global markets. Kurlantzick (2016: 41) wrote in this context that "Qatar, again, is an exception; its autocratic government has used its resource wealth to build internationally competitive companies in gas-related industries like petrochemicals and fertilizer, as well as to help create other globally competitive firms".

The ruling elite believed that such *grand strategy* would boost Qatar's position in the global economy and provide it with the necessary economic growth to improve this position. Consequently, this strategy would allow them to accumulate more power at the transnational level through their integration into the circuits of power in markets and transnational networks as well as their incorporation into the transnational networks of the global capitalist elite (Carroll 2010).

1.4.2.1.2 Nationalization

Nationalization policy in the O&G sector means expropriation. And expropriation is different from control. Because, expropriation is an event in time, and the control is a policy of long term (Sarbu 2014). Many scholars argue that high and abundant profits motivated the governing elite to expropriate the IOCs (Guriev *et al.* 2011; Kobrin 1980, 1984; Duncan (2006); and Luong & Weinthal 2010). Nationalization is just one means to increase control in the oil upstream sector (Kobrin 1980, 1984:329). Warshaw (2012) analyses forty-nine major oil-producing countries from 1965 to 2006. He finds that

[15] Interview with David Dougan, Head, Global Governance, Doha Bank. Doha, November 30, 2012

autocratic regimes with weak checks and balances are from a systematic point of view more likely to nationalize their oil industries than democracies, and state leaders focus on providing benefits to a thinner circle of elites. We argue that the nationalisation of QP is a major factor-pattern of QP's governance.

1.4.2.1.3 Privatisation

We argue that the partial privatisation "back door" of QP and the liberalisation of the energy sector are two factor-patterns of QP's governance and globalisation. According to Megginson & Netter (2001), governments can undertake the privatisation, i.e., the transfer of ownership from public to private hands, for a variety of reasons. However, some of the most commonly cited ones are (1) to raise revenue for the state; (2) to subject state-owned enterprises to the discipline of the market; (3) to provide the opportunity to introduce competition; (4) to promote economic efficiency; (5) to reduce government interference in the economy; and (6) to promote wider share ownership and develop the domestic capital market.

The two principal privatisation routes are either via a public share offering, i.e., listing of NOC shares at the stock exchange, or via a trade sale, i.e., selling NOC equity or assets to (or merging with) another company, which has to have some degree of private ownership. Empirically, for the privatisation of larger state-owned enterprises public offerings seem to be the preferred route, because they offer the economic advantages of organized capital markets and the opportunity to allocate shares to domestic voters and interest groups (Megginson & Netter 2001). Trade sales and stock offerings are both "open" privatisations insofar as they are easily identifiable as such.

There is another form of privatisation, labelled "back-door" (Al-Mazeedi 1998), where a significant part of the asset base of the state company is privatized without official recognition of such policy. This route is usually based on *joint venture* agreements (or other forms of shared equity cooperation) at the operating level.

QP's partnerships and *joint ventures* with IOCs can be considered as privatisation "Back Door" in accordance with the interpretations of Al-Mazeedi (1998). Bortolotti *et al.* (2001) find that the political ideology of parties in government influences strongly on the processes of privatisation in forty-nine countries between 1977 and 1996. The decision to privatize NOCs is motivated by the high political net benefits that elite leaders expect from privatisation (Banerjee & Munger 2004). Nolan & Thurber (2012) insinuate that privatisation is effectuated in times of risk and crisis in the countries of hydrocarbon economy, potentially when the prices of oil are very low, also called “oil price shocks”. Global economic forces and national ruling elites promote neoliberal policies to attract capital flows and foreign investment. In this sense, Qatar’s political elite makes decisions about the measures of liberalisation and privatisation of the O&G industry with the intention to survive and to accumulate power. Also, for its integration into the global networks of production and markets.

In the 1990s, the Qatari economy and oil industry had been transforming and incorporating elements of market economies. This process of marketisation (privatisation and liberalisation) takes appropriate forms with the economies of the sheikhdoms. These neoliberal policies implemented a more profit-driven and commercial orientation in QP and other Qatari energy sector companies and increased their ability to invest abroad.

QP's partial privatisation “back door” affects its interest and ability to become a global market player in several ways. As the listing of one of QP’s subsidiaries on the stock exchange subjects it to market rules and norms, thus incentivises profit orientation. In particular, the listing on European and American stock exchanges can drive this dynamic. Steinfeld (2010) has referred to this as “institutional outsourcing”, a key mechanism through which state control over firms is reduced in state capitalist economies. The idea is that, in the course of integrating its domestic economy with the global economy, Qatar has adopted a number of Western standards by, for example, listing parts of its SOEs on international stock exchanges. As a result, Qatari SOEs increasingly behave like commercial entities. Privatisation can also increase the ability of QP and its subsidiaries to invest abroad. In particular, it may grant QP and its subsidiaries easier access to capital, as they can operate in private capital markets.

1.4.2.1.4 Liberalisation

We argue that the liberalisation of the energy sector is a factor-pattern of QP's governance and globalisation. The liberalisation has been introduced into the world economy sectors, with the exception of the oil and gas sector, which goes against the rules of the free market and foreign direct investments. The liberalisation as effective opening up to competitive forces is considered an important step to improve industry performance and efficiency (Nickell 1996). Vickers & Yarrow (1988) give two principal reasons why competition might improve industry performance when public enterprise exists: first, internal efficiency of the state-owned enterprise might be enhanced by the disciplining effect of competitive threats; second, competition creates opportunities for innovation of new products and processes.

For the upstream sector of a particular country to be truly liberalized, the following elements should be in place: 1) Free and fair access to exploration acreage, drilling rights, etc. without limitations on ownership (licensing regime); 2) Non-discriminatory and non-prohibitive taxation of upstream production; 3) Non- discriminatory access to infrastructure for evacuation of hydrocarbons, or alternatively the purchase of production at market prices through the NOC or government. Some of the requirements shown here are based on the World Energy Council (WEC) (1998).

The upstream segment can be seen as the sum of many different single projects. In theory, this project-based industry structure makes it reasonably easy to introduce new competitors by way of new project tenders. In mature hydrocarbon provinces, where there are no significant new tenders coming up and NOCs dominate the industry, it may be required to sell existing production assets to new competitors.

The key activities to be liberalized in the downstream are typically oil and gas imports (in case of net importing countries) as well as refining and marketing of oil products. The key criteria are the absence of entry barriers throughout the downstream chain, the absence of price or sales controls, and a regulatory oversight against discriminatory practices, e.g. effective market foreclosure by the dominant, vertically integrated firm (WEC 1998).

In a liberalized competitive environment, IOCs are free to challenge the incumbent NOC either through their own projects or activities, or they could partner with the NOC in other projects – for example through *joint ventures* where there is a common interest to do so. In some countries, as set out above, the opportunities for IOCs are legally restricted to *only* engage in joint projects with the NOC, often in a junior or secondary role.

The liberalisation of the domestic oil market influences the increase in new foreign investment and revenues as a result of the lifting of controls over the economy and the energy sector in particular. In addition, commercial success following privatisation and liberalisation of the domestic market can translate into increased influence on the state. As profits rise, Qatari state-owned enterprises contribute more to national income and employment, their structural power increases. The very fact of economic success may endow managers with greater legitimacy in the eyes of policy-makers, which may grant them more autonomy and access to decision-makers.

1.4.2.2 Institutional Capacity: *Administrative Capacity and Decision-Making*

We argue that the institutional capacity is a pattern of QP's governance and globalisation. The administrative capacity and decision-making are crucial forces and elements that explain institutional capacity in the energy sector and the state's commitment to the global QP strategy. The state institutional organization quality of an NOC influence its governance and internationalization and globalisation strategies (Hults *et al.* 2012; Meckling *et al.* 2015). The Qatari ruling elite established the Principal-Agent model as the governance system of their state-owned enterprise QP during its creation in 1974. This system allows the Qatari state to act as the principal authority, delegating to its QP agent the national mission, the objective, and the functions to be developed. During the wave of nationalization of resources, many governments have opted for this system of organization for the creation of SOEs in the oil and gas sector. This model makes it easier for the political elite to control the company and resource rents (Ross 2013; Grayson 1981; and Linde 2000). It is the objective of the ruling elite, as far as this is possible, that strategic sectors, such as the oil and gas sector are occupied by powerful Qatari companies that are internationally competitive.

It has been highlighted in the literature that elite ruling and states use a number of instruments to direct and incentivize the behaviour of NOCs, including corporate governance, public administration and direct regulation (Mommer 2002; Hults 2012). In our case, we focus on the role of administrative capacity as a mechanism and pattern of state intervention in the globalisation of QP and the Qatari oil and gas industry. Administrative capacity refers to the ability to perform functions, solve problems, set goals, and achieve objectives, and further suggests arrangements that allow for *ex ante* state interference in the activities of QP and its subsidiaries, as opposed to *ex post* monitoring and supervision. We consider administrative capacity to be a powerful pattern of state intervention in the governance and globalisation of QP.

Governance reform in Qatari SOEs has significantly altered Qatari bureaucratic capacity in the governance of QP and its subsidiaries, including staffing and expertise, and the level of unity of QP governance. Moreover, presumably in the Qatari case as a small emirate or large city, the more centralized the decision-making authority, the more coherent the bureaucracy will be. Decision-making in this bureaucratic system is centralized in the principal authority. The Principal-Agent institutional organization facilitates better interaction with the speedy dynamics of the global market. Hults *et al.*

(2012: 87) shows in his research that "NOCs are generally higher performing when state institutions exercise power over the company through a centralized government authority."

1.4.2.3 Geology: Nature of Resources

1.4.2.5.1 Oil and Gas

The third main pattern affecting the governance and globalisation of QP is the nature of the subsoil resources. Qatar is blessed with "easy" oil, while it faces major geological challenges in offshore gas. Since 1949, most efforts have focused on oil and since the 1980s, Qatar has realised that its energy potential lies in gas, making it the country with the third largest natural gas reserves in the world. With the *Emir* Hamad Bin Khalifa Al Thani, Qatar focused mainly on gas exploitation, which is often much more difficult to produce and market than oil. The roles of infrastructure and pricing are much more subtle and complicated in gas. The literature has recognised the important role that resource geology plays in strategy and governance. We believe that this pattern affects the governance and globalisation of QP and the sector.

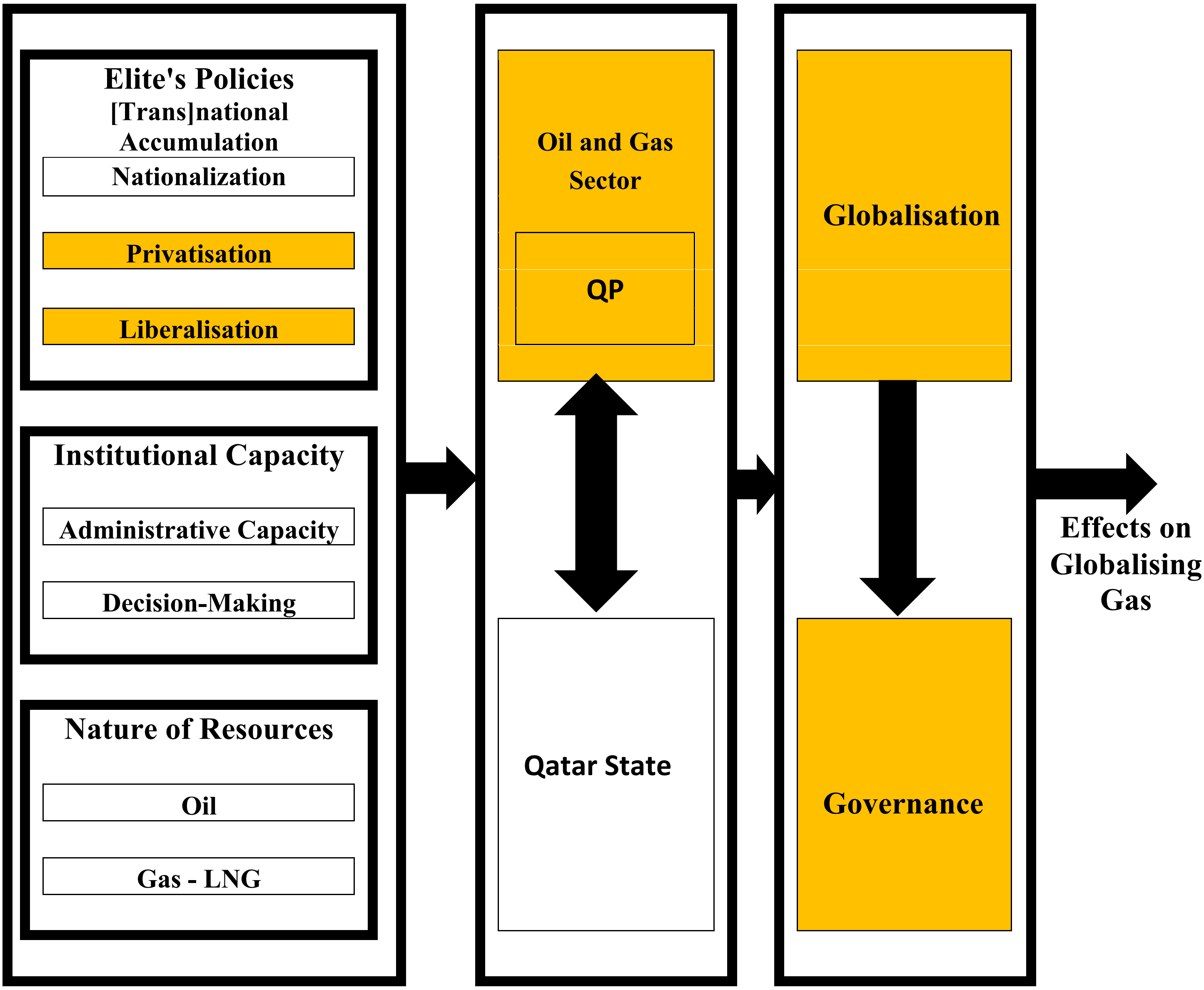
1.4.2.5.2 LNG Global Chain Networks

QP focuses its business on LNG. The value chain of LNG consists of five stages: 1) Exploration and production, 2) Liquefaction, 3) Transport, 4) Regasification, and 5) Sales. This industry, its business model and market are emerging and are in the process of maturing.

According to Ledesma (2009), in recent decades NOCs and IOCs have often participated together in the development of LNG projects and their structures. In many cases, countries with gas reserves allow IOCs to participate in the value chain of the gas and LNG industry (Tordo *et al.* 2011). This is mainly due to the fact that the production of gas is more complex than that of oil, and that it entails too many factors of uncertainty and risks that affect its development process. The promoters of this industry are mainly exposed to manage three different risks: technical expertise, market, and venture capital (see Chapter 7). LNG has reconfigured the natural gas territory and market, extending its geographical sphere to all the continents of the planet through floating pipelines. In this way, gas becomes a global commodity within reach of countries (Bridge & Bradshaw 2017) (see Chapter 7).

The ruling elite promotes strategically the development of the LNG business, and delegates the operational and commercial functions to QP. The LNG business has facilitated a great regional and global presence to Qatar's NOC.

Figure 2 Schematic research design for this thesis. It is an adaptation from Victor *et al.*'s (2012) study on NOC governance, which outlines the causal chain.



1.4.3 The Sociology of Power and the Qatari Regime

The sociology of power has identified three different ideal types of power structures (power regimes), in which the strategies for the survival of national elites are different (Izquierdo-Brichs 2012; Feliu & Izquierdo-Brichs 2016):

Type 1: Power regime with diversified elites and diversified resources. In this type of regime, different groups of primary elites base their power on different resources, and compete with each other, but also establish pacts to set the rules for the functioning of the system. The primary elites that control the political system are not strong enough to sustain harsh and continued repression. If not threatened, primary elites that control other resources and some secondary elites may gain power with the fall of the elites that control the political regime, or they may be dragged down and lose power with instability.

Type 2: Power regime with concentrated elites but diversified resources. One of the distinctive features of this type of regime is that its political elites have a great deal of room for manoeuvre, as they can negotiate, or make concessions in the control of one resource while maintaining control over the rest. Complementarily, they have a great capacity to repress, and do so if threatened. These mechanisms allow them not to lose their primary position.

Type 3: Power regime with concentrated elites and resources. The primary elites of this kind of power structure are strongly dependent of the fluctuations of the main resource/s of the system. They have little capacity for negotiation, as the concentration of power resources leaves them little room for partial concessions (they must maintain the control over the state to control the main resource/s), and the game is very close to an all-or-nothing game. The response of this type of regime is always very repressive, as the elites are strong and have the capacity to respond as harshly as possible.

1.4.4 Energy, International Political Economy and Structural Power

International Political Economy (IPE) is known mainly by referent scholars such as Susan Strange, Michel Cox and Stephen Gill. According to Underhill (2000), the IPE school is characterised by three principal elements: (1) the impossibility of separating economy and politics in the behaviour of markets; (2) political intervention as one of the main means to stabilize market structures; (3) the interconnection of national and international spaces in the functioning of those markets. A whole system approach that incorporates the economic roles played by political bodies and the political roles of economic bodies. Therefore, social reality is shaped at the intersection of economic and political factors, agents and roles, so that economic relations are inevitably an expression of power relations. The IPE school emphasizes the idea that material and productive structures determine the capacities of actors and their options in political decision-making. In this way, power is no longer understood only as the limited power of nation-states over their peers, but extends to social forces (Cox 1987), and to markets, companies and private organizations (Strange 1988).

IPE is a school of thought linked to Karl Polanyi's analytical tradition and his radical criticism of the claim to construct an economic theory on the margins of politics and society: "The road to the free market was opened and kept open by an enormous increase in continuous, centrally organized and controlled interventionism. To make Adam Smith's 'simple and natural liberty' compatible with the needs of a human society was a most complicated affair" (Polanyi 2001: 146). At this point, Polanyi theorized about the "double move". This is the process that explains the current relationship between markets and the state in world politics. Neither the self-regulating market nor the market economy could have functioned without certain state interventions to protect it. Polanyi's argument is that the self-regulating market, the market economy and the ideal of *laissez faire* are not natural, but are new institutions whose development required states to create the right conditions: economic liberalism was the guiding principle of a society in which industry was founded on the institution of a self-regulating market.

According to Strange, energy (oil, gas,...) raise as subject between the study of economics and the study of political science; she suggests applying a political-economy perspective: "what [is] needed [...] is some analytical framework for relating the impact of states' actions on the markets for various sources of energy, with the impact of these markets on the policies and actions, and indeed the economic development and national security of the sates" (Strange 1988: 191). Strange (1988) explains that actors who have the capacity to determine the functioning of certain structures possess structural power. She divides these structures into primary and secondary ones, with four subcategories each: primary structures (security, production, credit, technology) and secondary structures (transport, trade, energy and welfare). For the author, energy is classified as a secondary power structure in world economy.

Strange (1988: 23-25) gives greater importance to the structural dimension than to the relation of power. She defines power as the ability to shape and determine the structures of the global political economy, whether through the relationship of states to other states, to political institutions, to businesses or to their scientists and practitioners. Clearly, power refers to the ability to make laws or meet needs and to the capacity of states, businesses, political institutions and epistemic communities to shape the decision-making of states in the global economy.

Structural power refers to the constitution of the capacities and interests of the actors in direct relation to others. It is about the internal relations of structural positions. An expression of structural power in global governance is found in the analysis of capitalism and the globalized market economy (Barnett & Duvall 2005).

The analysis of structural power affects the global political order and determines conflicts of interest as well as the influence of material structures on the distribution of power. Structural power shapes the fate and conditions of existing actors in two critical ways: First, it generates social inequalities and different privileges, depending on positions; Second, it not only determines their capacities, but also models the way actors understand themselves and their objective interests. Structural power is embedded in and emerges from political frameworks in socio-economic structures. Traditionally, the structural power of firms has focused on analysing the ability of firms to operate in multinational frameworks and influence the political agendas of host countries, through their ability and mobilization of capital and foreign direct investment (Strange & Henley 1991).

According to O'Brien: "large TNCs [Transnational Companies] enjoy and benefit from a degree of both structural and relational power [...] TNCs also exercise considerable relational power, facilitated by their privileged access to state decision-markets" (O' Brien 2005: 171-2). An analysis of the exercise of structural power by firms shows how the mechanisms through which this power is exercised have increased (Fuchs 2005). The capacity to mobilize capital is now much greater due to processes of economic liberalisation, linked to the development of transnational production structures and the organization of the production and supply chain, and to the deregulation of financial markets. However, the capacity and structural power of firms today goes far beyond the exercise of power through foreign direct investment (Fuchs 2005).

In the framework of globalisation, companies have developed new mechanisms to exercise structural power such as: (1) regulation by rating agencies and coordination services; (2) corporate self-regulation; and (3) public-private co-regulation and multi-stakeholder regulation and the development of public-private partnerships (Fuchs 2005). Susan Strange (1988) already explained how globalizing social forces were developing spaces where the guiding impulse for governance no longer came from public authorities, since states had ceded spaces of political competence in the international sphere to private actors. In order to better understand this process, it should also be taken into account how private companies and agencies were taking over market regulation spaces as a compensation mechanism for the vacuum generated by nation states in the international sphere.

Since the 1980s, and with the spread of the economic liberalisation, the ability of private non-state actors to develop spaces for cooperation that transcend national borders has been especially important. It has been a process characterized by the creation of new transnational regulatory frameworks that are accepted by the actors participating in global markets, thus legitimately accepting the authority assumed by the drivers of this regulation. This process implies a privatisation of the regulatory function and its monitoring and enforcement (see Section: 7.3).

Private actors have pushed for regulatory mechanisms that are critical to the governance of global markets (Cutler *et al.* 1999; Hall & Biersteker 2002b). For its part, globalisation has driven the privatisation of governance through two processes. First, a significant number of corporate-driven regulatory agreements have been concluded to cover transnational spaces that were not governed by public authorities. Second, this process has taken place in parallel with the construction of a neoliberal economic order, following the spread of a free market ideology and the public deregulation of the world economy promoted by Western governments since the 1980s, which has facilitated the expansion of sub-state and transnational spaces regulated by private agents (Scholte 2005).

In the new international context, with the processes of liberalisation and globalisation accelerating, borders are being diluted as a result of the new relationships between authorities in the global political economy, the weakness of states and the proliferation of non-governmental actors. These trends are summarized as integration and fragmentation (Rosenau 1992b).

1.4.5 Unit of Analysis and Case Study

QP and NOCs are units with a complex nature. And to explain QP it is therefore necessary to explain the oil and gas sector and the Qatari State. Both the State and the NOC are the main actors that are configuring the organization of the Qatari oil and gas sector. In addition, they have different roles and functions in the development and governance of the sector.

This study of QP requires an empirical explanation within a conceptual and qualitative framework. Our methodology applied in this thesis consists of an interdisciplinary approach. And the interdisciplinary nature of the research is highlighted by a combination of different disciplines of historical, economic and political nature.

1.4.6 Data and the Sources

This thesis draws on both secondary literature and primary data collected through interviews with individuals interested in and/or within the Qatari O&G sector. In this regard, it should be noted that there is very little information available on the inner workings of the oil sector and related policy making in Qatar.

Data sources include mainly policy documents, press articles and 30 interviews experts from fields as diverse as: former ministers, QP subsidiary managers, officials from public administration, energy analysts, officials from international organisations, researchers from Qatari think tanks and academics and journalists based in Doha. The interviews used in this thesis were conducted between 2012 and 2016 (not all interviews done are manifested in the thesis). Interviews on the record are cited in footnotes with the date of the interview. The results of the interviews were triangulated between interviewees from different organizations or with primary written documentation or secondary sources. This triangulation of data collection techniques was adopted for the purpose of this thesis. The decision was based on the view that using more than one method of collecting data in the study of a social phenomenon overcomes partial views and presents a more complete picture of the issues under research. Interviews with close advisors of decision makers were off the record.

The historical analysis draws upon several primary and secondary sources including historical documents from archives in London (India Office Records at the British Library Research Archive) and other sources also include documents from the Qatar Libraries and Qatar Petroleum Company, and Qatar Digital Library. The information obtained from these institutions ranges from historical documents to published works and reports.

The sources of the thesis are unevenly divided between English, Arabic, French and Spanish. The transcription from Arabic to English does not conform to the IJMES transliteration system. Therefore, in this thesis the transliteration of the Arabic terminology does not conform to the IJMES system.

Our research stays as *visiting researcher* at the London School of Economics and Political Science (2012), Princeton University (2015-6), and Qatar University (2016-7) have been of great benefit to our thesis and research. Teaching at Qatar University for a semester allowed us to learn a lot and get to know the Qatari youth in depth, as well as their perspectives on the big issues of their country such as identity, culture, politics, energy, security, development and "the jewel in the crown" QP.

1.4.7 Roadmap of the Thesis

The structure of the thesis follows the argument we have outlined above. After a general framework chapter that situates the QP and the O&G sector in the literature and explains our analytical and conceptual framework in more detail, chapters 2 through 4 analyse the historical *longue durée* roots of the modern QP and O&G sector in the context of Colonialism.

Chapter 2 focuses on studying the motivations and interests of British expansion overseas and in the Persian Gulf. The chapter clarifies and examines the *longue durée* theory applied to the historical period of our interest, and the contributions of the critical and IPE school and in the analysis of British hegemony and expansion. We have constructed a framework to study *the longue durée* process of British outward expansion composed by three main phases: textile industry expansion, metallurgic industry expansion, and finance expansion. In the following, we study the interests and motivations for British colonial expansion in the Gulf in connection to three key issues: economic interest, strategic interest and the threat of "piracy".

Chapter 3 examines the external and internal factors affecting the emergence of Qatar. The emergence was marked mainly by the British and Ottoman rivalry and the leadership of Qassim Al Thani, the sheikh founder of Qatar. The chapter analyses these factors and contexts from the relations and dynamics between the different actors intervening in the sheikhdom's affairs, and how these affect the emergence of Qatar. We describe the specificity of Arabia conceptualizing the main notions and concepts as *Al-Qabila*, *Al-'Asabiyyah, Al-Ghazw* and *As-Sheikh*. Thereafter, we explain the British and Ottoman recognition of the Al Thani rule as one of the external factors affecting the emergence of Qatar. Also, we address the social and political conditions and the authority of Sheikh Qassim Al Thani as the main internal factor for Qatar's emergence in Eastern Arabia.

Chapter 4 offers important background about oil and its literature in IPE; and defines the conceptions of private authority, power, market authority and the colonial concession system in an imperial context. The chapter explains the behaviour of British colonialism and its power to control Qatar and its oil resources; also, it identifies Abdullah's motivations for the treaty of protection of 1916. It also explains the oil negotiations between APOC and Abdullah Al Thani, the intervention of SOCAL, and the Saudis competition over the concession agreement. Subsequently, the chapter identifies and examines APOC's market and moral authority over Qatar's oil; and further analyses Qatar's oil concession agreement of 1935. In short, it describes the negotiations, activities, and relations between the actors mentioned above during the inter-war periods, between World War I and II. Lastly, the chapter demonstrates the role of alliances and competition of the governments or the state's actors (Britain and the US) and their oil majors (APOC and SOCAL) to achieve the oil concession agreement in 1935.

Chapter 5 examines the power structure during the period from 1949 to 1970 and that was characterized by a concentration of elites and resources. The first stage during the rule of Ali Bin Abdullah (1949-1960) was marked by the establishment of the financial and security apparatus and was formed under pressure from Britain. The second stage during the rule of Ahmed Bin Ali (1960-1972) was focused on establishing infrastructure projects and providing civil services to the population. The formation of state structures and administrative organizations were configured as major areas for the expansion of the power infrastructure and thus, the determination of the power structure in Qatar. From 1935 until the mid-1970s, Qatar's oil and gas remained fully owned by foreign companies. In the period from 1950 to 1970, the transnational oil corporations or "oil majors" were in their prime, controlling and dominating the oil resources of the world. In concrete terms, they had the oligopoly over the oil industry and business, controlled the supply, and imposed the price of oil.

Chapter 6 examines the power structure during the rule of Khalifa Bin Hamad (1972-1995) was characterized by the continued concentration of elites and resources. Soft-nationalism, state and oil revenues were joined together as strong power resources in the hands of the sheikh ruler to implement the gradual policy of nationalization of oil and gas (1972, 1974, 1976 and 1977). QP's nationalisation merges state and resources, where control is exerted directly by the primary elite. Khalifa's power regime was personalist-unified in the 1970s. There were no boundaries between the sheikh ruler and the state, no clear separation between state institutions. In 1968, OPEC's petroleum policy was a roadmap based on UN resolutions on permanent sovereignty over natural resources with the aim of renegotiating concession agreements. The creation of QP and the national oil companies as instruments to control the energy sector and manage oil and gas reserves and production was the turning point in the emergence of OPEC's structural power later on.

Chapter 7 examines the power structure during the ruling of Hamad Bin Khalifa (1995-2013) was characterized by a domination of the charismatic emir and concentration of elites and resources around him. In the 1990s, the ruling Qatari elite implemented the liberalisation and privatisation measures of the oil and gas industry with the purpose of accumulating power at a national and international level. The novelty of this new period is the emergence of a new generation of ruling class. Hamad Bin Khalifa and Abdullah Al-Attiya has implemented a *joint ventures* policy to resolve its gas sector's complex problems and to establish strategic alliances with international oil companies.

Chapter 8 concludes the analyses carried out in the preceding chapters and summarizes the findings. In section 8.2.1, we focus on the power of the Al Thani's family and QP's objectives. In section 8.2.2, we set out the main conclusions on governance of QP. In section 8.2.3, we examine the process of globalization of QP. In section 8. 3 we will briefly reflect on the theories and data used in this thesis. And finally, in section 8.4, we summarize the conclusive arguments and premises.

PART I: OIL AND HISTORY

Chapter 2. The British Expansion in the Gulf and Overseas

Introduction

The chapter examines the motivations for British expansion abroad. This expansion brought about the accidental emergence of Qatar (Crystal 1990: 167) and the growing importance of Arabia in the grand strategy of the British Empire. To gain an in-depth understanding of the international context in which Qatar emerged, I have considered it important to deal briefly with the historical evolution of the international and regional systems. For the British, Qatar was part of a stretch of coast along the Persian Gulf, called the "pirate coast". In the early 19th century, the directors of the British East India Company (EIC) organised a major naval campaign to stamp out piracy in this area. The aim was to expel the Arab sheikhs from the "pirate coast". The sheikhs in question were the Qawasim tribal confederation who controlled this region from their capital, Ras al-Khaymah. Their sphere of influence stretched from the Qatar Peninsula to Ras Musandam in Oman. The Qawasim were engaged in maritime activities and attacked the ships of the East India Company throughout the region. The tribes adopted maritime raiding as a way of life due to the lack of maritime authority in the area (Lorimer 1970: 197).

The chapter is divided into three sections. In the first section, we clarify and examine the *longue durée* theory applied to the historical period of our interest and the contributions of the critical school in the analysis of British hegemony and expansion. In the second section, and according to British and non-British historians, we attempt to reconstruct a framework for *the longue durée* process of British outward expansion composed of three main phases: Textile industry expansion, metallurgic industry expansion, and finance expansion. In the third and final section, we study the interests and motivations for British colonial expansion in the Persian Gulf. We address this topic in three key points: economic interest, strategic interest, and the threat of piracy.

2.1 History and *Longue Durée*

I analyse the international and regional historical changes that affected the emergence of the Qatari sheikhdom from the perspective of *longue durée*, theorized by Braudel (1958) and developed by Wallerstein (1974), Cox (1987), Gill (1997) and Arrighi (2010). The French conception of seeing history lead by Braudel is based on a long time and prolonged periodization. Braudel strongly criticizes the short-sighted historian for the temporal reductionism with which he sees and writes history:

« Nous revoici dans le temps court, et jusqu'au cou. Bien entendu, l'opération est licite, utile, mais comme elle est symptomatique ! L'historien est volontiers metteur en scène. Comment renoncerait-il au drame du temps bref, aux meilleures ficelles d'un très vieux métier?" (Braudel 1958: 15).

According to Gill (1997:11), the conception of the *longue durée* is defined as:

"(…) the long passage of history associated with the embedding of fundamental social structures, that may take on an almost geological, quasi-permanent character. The *longue durée* is a multidimensional concept that includes philosophical systems which may last for very long periods, as well as associated conceptions of space and social hierarchy. The *longue durée*, therefore, includes the mentalities that prevail in a given era, and the way that these are manifested in different historical conjunctures."

Wallerstein develops the Braudelian *longue durée* theory through the division of long periods into segments and stages, with the purpose of giving depth to the explanation and analysis of historical transformations and the social processes. For Wallerstein, we must logically divide the long term into segments in order to observe structural changes, considered as stages in the development of a social structure. And with regard to these stages he states:

"If we are to talk of stages, then -and we should talk of stages- it must be stages of social systems, that is, of totalities. And the only totalities that exist or have historically existed are mini-systems and world-systems, and in the nineteenth and twentieth centuries, there has been only one world-system in existence, the capitalist world-economy." (Wallerstein 1974: 388-390).

The logic of *longue durée* was applied to the social processes of the last centuries from the 18th to the 20th century. In this chapter, we highlight the work/analysis of two distinguished historians, namely Robert Cox and Giovanni Arrighi. On the one hand, the Canadian Cox's approach to the division of historical processes is significant because of its three successive stages: "These are (1) the coming of the liberal international economy (a period that can be roughly dated 1789-1873), (2) the era of rival imperialisms (1873-1945), and (3) the neoliberal world order (post World War II)" (1987: 109).

On the other hand, the Italian Arrighi configures the *"long 20th century"* in three main stages:

"I reconceptualized the long twentieth century as consisting of three phases: (1) the financial expansion of the late nineteenth and early twentieth centuries, in the course of which the structures of the "old" British regime were destroyed and those of the "new" US regime were created; (2) the material expansion of the 1950s and 1960s, during which the dominance of the "new" US regime translated in a world-wide expansion of trade and production; and (3) the current financial expansion, in the course of which the structures of the now "old" US regime are being destroyed and those of a "new" regime are presumably being created" (Arrighi 2010: xii).

We consider the historic Braudelian *longue durée* perspective and Wallerstein's proposed phases as well as their applications by Cox and Arrighi as an appropriate framework for examining British hegemony and expansion in the international system. Hence, I complement this with Izquierdo's analysis of the sociology of power (Izquierdo 2009; 2017), which incorporates the three levels in the same logic.: the *longue durée*, phase, and event.

2.2 British Hegemony and Expansion Overseas

2.2.1 Hegemony

Hegemony is a multidimensional and complex concept. It means different things to different scholars. Different theories of International Relations offer competing conceptions of hegemony. In this section, we analyse the issue of British hegemony from the critical and Marxist theory developed by the authors Gramsci and Cox. Gramsci's and neo-Gramscian conceptions of hegemony are different from the conventional explanations and meanings of hegemony in theories of International Relations. In traditional conceptions, hegemony is understood to refer to a condition of power imbalance in the international system, resulting in the dominance of one state over others. According to liberals like Robert Keohane, hegemony is defined as "a situation in which one state is powerful enough to maintain the essential rules governing interstate relations and willing to do so" (Keohane 1984: 34). For realists, like Robert Gilpin, hegemony exists when "a single powerful state controls or dominates the lesser states in the system." (Gilpin 1981: 29). Usually, such dominance is based on asymmetric possession of economic and military resources (Clark 2011).

According to Cox, one of the leading neo-Gramscian authors, the concept of hegemony is based on: "(…) a coherent conjunction or fit between a configuration of material power, the prevalent collective image of world order (including certain norms) and a set of institutions which administer the order with a certain semblance of universality" (Cox 1981: 139). Therefore, for this author hegemony is a combination of three principal elements: material power, ideas, and institutions. The neo-Gramscian approach assumes the view that hegemony is about more than just raw material power and domination. For Cox, "dominance by a powerful state may be a necessary but not a sufficient condition of hegemony." Cox criticizes realist and liberal scholars for reducing the conception of [hegemony] to simple material domination. For Cox, a dominant state (or states and social classes) gain continued supremacy through an order based in part on consent, somehow offering some satisfaction to the less powerful (Cox 1987: 7). The neo-Gramscian conception of hegemony incorporates two main components: consent and force. In this way, Cox and neo-Gramscian scholars make a difference between the power based on domination from which is based on direction and leadership.

According to Cox:

"[a] world hegemony is thus in its beginning outward expansions of the internal (national) hegemony established by a dominant class. The economic and social institutions, the culture, the technology associated with this national hegemony become patterns for emulation abroad" (Cox 1983: 171).

Cox argues that Hegemony is an order within a world economy, characterised by a dominant mode of production that pervades all countries and is linked to other subordinate modes of production. For this author, hegemony must also be understood as a structure that has three dimensions (social, economic, and political) that are inseparable from each other. (Cox 1993: 61-62).

Cox conditions hegemony in the world on the existence of three necessary elements:

"(1) a globally dominant mode of production; (2) a dominant state (or conceivably dominant group of states acting in concert) which maintains and facilitates the expansion of that mode of production; and (3) a normative and institutional component which lays down general rules of behaviour for states and the forces of civil society that act across state boundaries – rules which are also supportive of the dominant mode of production" (1982: 45).

Among historians, there is no consensus about the exact period of British hegemony as the different divisions of *longue durée* in the last section have shown. However, all of them situate it somewhere between the 19th and 20th century. In the Persian Gulf, British hegemony dates back to the beginning of the 19th century, and especially from the moment this dominance is institutionalised in the treaty of 1820. The definitive British imperial withdrawal from the gulf can be dated 1971. (Onley 2009).

For Cox, when applying the concept of hegemony to world order, it is important to determine when the period of hegemony begins and when it ends. Cox reminds us of Britain's central position in the world economy at that time. From this economic and political centre, a series of economic doctrines that supported this supremacy spread. Britain managed to impose certain market rules that served its interests in peripheral countries, largely thanks to its maritime supremacy. He considers crucial the non-hegemonic 1875-1945 period: "Other countries challenged British supremacy. The balance of power in Europe destabilised, leading the two wars. Free trade superseded by protectionism; the gold standard was ultimately abandoned, and the world economy fragmented into economic blocs." (Cox 1983: 170).

Our preference for the neo-Gramscian perspective is mainly due to the particularities of its analysis of hegemony, based on the interests of the dominant elite articulated in a “historic bloc”. In this way, it distances itself from the conventional realistic and liberal perspectives that emphasize the state as an actor. Based on this approach, in the following section, I analyse the dominant elite that shaped British hegemony at a global level through territorial and financial expansion.

2.2.2 [Trans]National Historic Bloc

The concept of **“**historical bloc” summarises Gramsci’s conception of hegemony in the process of configuration of societal groups, economic structures, and concomitant ideological superstructures. Gramsci used the concept of “historical bloc” to refer to the alliances between social groups shared ideas and interests that generate a specific worldview. This coalition aligns the resources of power: material, organizational, and discursive formations which stabilize and reproduce relations of production. In other words, a historical bloc exercises hegemony through the coercive and bureaucratic authority of the state, dominance in the economic realm, and the consensual legitimacy of civil society.

According to Gramsci, structures and superstructures form a historical bloc. That is to say, the complex contradictory and discordant ensemble of the superstructures is the reflection of the ensemble of the social relations of production (Gramsci 1971: 366). Cox argues that the establishment of the historical bloc is also given through the congruence of three levels: 1) the productive forces (structure), 2) the political level and 3) the military level (superstructure). (Cox 1983).

A historic bloc cannot exist without a hegemonic social class, where the hegemonic class is the dominant class in a country. Intellectuals play a fundamental role in the construction of a historic bloc and are connected organically with the social class. At the international level, the hegemonic class of the dominant country creates allies with the classes of other countries on the path to forming a global civil society. “It is a complex of international social relationships which connect the social classes of the different countries” (Cox 1993: 62). The author explains that:

“the hegemonic concept of world order is founded not only upon the regulation of interstate conflict but also upon a globally conceived civil society, i.e. a mode of production of global extent which brings about links among social classes of the countries encompassed by it” (Cox 1983: 171).

Therefore, the transnational historic bloc is a network of social groups from various countries connected on the basis of common interests.

In addition, this transnational historic bloc is not only sustained by shared interest but also by the acceptance of subordinate classes, institutions, and values related to them. For Gramsci, if a new homogenous historical political-economic bloc is to be successfully formed, a political initiative is needed that leaves traditional policies behind, and allows others to be absorbed:

“And, since two ‘similar’ forces can only be welded into a new organism either through a series of compromises or by force of arms, either by binding them to each other as allies or by forcibly subordinating one to the other, the question is whether one has the necessary force, and whether it is "productive" to use it” (Gramsci 1971: 168).

The historic bloc at the international level will be established through the creation of links between the dominant class of the hegemonic state and the dominant classes of the other states. Through this link, it is necessary that the mode of production of the dominant class of the hegemonic state penetrates the other states and accordingly, creates a connection between social classes. As a consequence, a social structure and a political structure will take place between the hegemonic states and other states. This expansion of the historical bloc outside its national frontier has as a consequence the impossibility of separating the domestic from the global. Gramsci assumes this explanation, and asks himself whether international relations precede or follow fundamental social relations, and his answer is unequivocal: they follow them. “Any organic innovation in the social structure, through its technical-military expressions, modifies organically absolute and relative relations in the international field too” (Gramsci 1971: 176).

In this way, the structural change lead by the historic bloc in the domestic arena generates outward expansion. According to Izquierdo & Etherington (2017: 44), a process of social and economic revolution not only changes the social and economic relations within the state, it also frees up energies that go beyond the borders, and which can generate global hegemonies. These hegemonies will commence as national hegemonies, and subsequently, the social and economic institutions, as well as the culture, ideology, and technology associated with this hegemony, all become a model to emulate abroad.

When structural change occurs, as in the case of revolutions, the elite that controls the historical bloc at the time has the advantage of being the first to accumulate power and resources. Its initial preparation gives it a good advantage, and it will be able to take advantage of the occasion in a convenient way. As Ferguson remind us:

“ And with time, in order to continue growing and accumulating power and resources, the elite need to expand outside the state borders. And in this process of accumulation, the elite becomes transnational or global elite. According to Ferguson: “The British elite was relatively open. Aristocrats invested in railways, joined bank boards, married their sons to Jewish or American ‘new money’” (Ferguson 2017: 165).

For Cain & Hopkins, the city was the place of emergence and cradle of the new circle of concentration of power for the elite, where “moneyed” interest is the motor of the financial revolution:

“The City facilitated the flow of domestic and foreign capital which funded costly wars; successful wars, in turn, preserved and enlarged vital colonial markets. The City continued to finance the colonial economic system in peacetime, and also paid substantial levies to the state in return for monopolistic privileges.” (Cain & Hopkins 1980: 469).

The capitalist elite that owns the big financial houses, “governors of the imperial engine” in Arrighi’s terms, is really the dominant elite in the city where investors went in search for profit. Hobson argues:

“these great businesses –banking, broking, bill discounting, loan floating, company promoting– form the central ganglion of international capitalism. United by the strongest bonds of organization, always in closest and quickest touch with one another, situated in the very heart of the business capital of every State… they are in a unique position to manipulate the policy of nations. No great quick direction of capital is possible save by their consent and through their agency.” (Hobson 1902: 56-57)

According to Arrighi and other historians, historically there were alliances between elites and hegemonic classes and they were necessary to control different resources like the state, the military, and the market and therefore increase the elite’s accumulation of power. The author highlights the British bloc and national alliances in the competition between the Dutch and the British wool proto industry, which ended when Britain's military power managed to surpass that of Holland. (Arrighi 2010: 213-4).

The centre of the capitalist world-economy moved to Great Britain, with an alliance between industry, the city and military-political power which facilitated the subsequent overseas imperial and commercial expansion.

2.3 Outward Expansion and Transnational Accumulation

The outward expansion is a strategy of British capitalist aristocracy and state rulers to seek new opportunities and modes for the accumulation of power and resources. British expansion developed in three phases according to historians. The first was an expansion of textile production and trade. The second was the expansion of the metal industry. And the third was the financial expansion and investment abroad. In all these processes, politics and the economy were an indissociable binary. According to Hobsbawm:

> "In short, politics and economics cannot be separated in a capitalist society, any more than religion and society in an Islamic one. The attempt to devise a purely non-economic explanation of the 'new imperialism' is as unrealistic as the attempt to devise a purely non-economic explanation of the rise of working-class parties" (Hobsbawm 2010: 69).

Since the 18th century the capitalist economy has been characterized by the expansion of industrial production centres and by the diffusion of distribution networks for products and goods (Hirst & Thomson 1996). These processes have been driven by companies, which have gradually expanded their market power from the local to the international through economies of scale. Hence, it should be said that the processes of transnationalization of world production are cyclical in history and are not particular to the current neoliberal globalization, as liberals argue.

In the 18th century, the expanding dynamics of the accumulation processes led to the configuration of globalization and British-style hegemony. This globalization was the product of the hegemonies and control of British elites which, after the beginning of the colonial territorial expansion in Asia, went on to possess global resources and consequently had the capability to enlarge their accumulation processes. Therefore, the alliance of the historical bloc is a necessary condition for the elites' efforts and for their alignment of the controlled resources towards outward expansion. In this respect, the control over the state and the naval military (NAVY) is extremely important so that they can participate in this process of accumulation (Izquierdo & Etherington 2017: 45).

The historians Cain & Hopkins (1980:471) have pointed out that the British Industrial Revolution was the consequence of a long historical process composed of successive periods of expansion of the textile and metallurgical industries. Arrighi (2010: 213) recognises three different moments. A first moment involved the expansion of the English textile industry during the financial advance led by Florence during the period from the late 14th to the early 15th century. A second moment corresponded to the English metal industries, this time coinciding with the rise of Genoese finance in the late 16th and early 17th centuries. Finally, the third moment was the industrial revolution, this time involving Britain's textile and metal industries, overlapping with the Dutch financial expansion of the 18th century.

2.3.1 Textile Industry Expansion

The alliance of the capitalist elite and the British ruling elite forced the state to internalize capitalism. In this way, British companies and especially EIC could fight for commercial supremacy and a competitive advantage over the Dutch Verenigde Oost-Indische Compagnie (VOC) in Asia; and enjoy the monopoly of the textile industry in British colonized territories such as India. The VOC had control of the spice trade, one of the most profitable products in the East Indies.

For the historian Braudel, the expansion of the textile industry experienced difficulties in management and production due to the fact that it was not contained within a single network as in Europe. Different sectors and circuits governed the production and marketing of raw materials. These sectors were vertically linked to each other, and thus constituted separate compartments. Until the English industrial revolution, the Indian cotton industry was undoubtedly the most important in the world. (Braudel 1984: 508-9)

At the beginning of the 18th century, the expansion of EIC trade in Asia was depressed by low-profit margins due to competition and by declining revenues and aid from the London metropolis. To get out of this crisis, the EIC took advantage of its victory at Plassey[16] in 1757 and the disintegration of the Mughal Empire to reorganize its strategy and expand by using its military forces composed of Indian battalions and by forcibly exploiting the local labour force. Thus, according to Marshall (1987), it became a powerful "company state" to appropriate resources and reinforce its monopoly and control over the Indian textile industry, "Although in the process the Indian textile industry lost much of its flexibility – and with it some of its competitiveness – the cash flows that accrued to the company from trade in piece goods grew in size and steadiness until about 1780, when expansion began to taper off", concluded Arrighi (2010: 256).

The textile industry has dominated the export commodities of British trade. British exports of cotton products reached 48.5 per cent growth in 1834-1836 (although they fell in the mid-1850s). Woollen goods accounted for a smaller share of these exports, followed by the metal manufacturing industry. Manufacturers were thus dependent on exports. It is interesting to note that in relation to manufactured goods, these were much smaller (2% in 1850.) At the same date, raw materials, especially raw cotton, accounted for two thirds of British imports, while the remaining imports were foodstuffs. (figures provided by Jones 2000: 19).

2.3.2 Metallurgic Industry Expansion

Arrighi supports the historical thesis that the reign of Queen Elizabeth I was the turning point in the development of British industry. He adds that this industrial strategy was an instrument for capital accumulation and during her reign, the industry diversified and high value-added activities such as luxury goods, armaments, coal mining and metallurgy were introduced (2010: 198-199). The Italian historian pointed out that "Edward III gave a big push to the expansion of English textile production during the first financial expansion, in an attempt to move England up in the value-added hierarchy of the European world-economy. Elizabeth I tried to do the same, but by slowing down expansion in the textile industries and encouraging it in the armaments and luxury industries. Neither Edward's expansive policy, nor Elizabeth's selectively restrictive

[16] Battle of Plassey, (23 June 1757). Victory for the British East India Company in the Battle of Plassey was the start of nearly two centuries of British rule in India. It was a decisive victory over the Nawab of Bengal and his French allies, under the leadership of Robert Clive. https://www.britannica.com/event/Battle-of-Plassey [12/9/2018].

policy, however, could do much to overcome the fundamental subordination of English industrialism, first to Italian and then to Dutch capitalism" (Arrighi 2010: 214).

The policy of free trade and the liberalization of British trade led to the expansion of British production and trade worldwide and caused a high demand for British commodities in the markets and on the part of businessmen and government organizations. According to Hobsbawm (2010: 70-71), between 1845–49 and 1870–75 British exports of railroad iron and steel more than tripled and those of machinery increased nine-fold. During the same period, British exports to Central and South America, the Middle East, Asia, and Australasia increased six-fold. The net that linked the various regions of the world-economy to its British centre was visibly widening and tightening.

The British historian argues that the speedy extension of trade and capital resulted in the globalization of the world economy: "[the] geographical size of the capitalist economy could suddenly multiply as the intensity of its business transactions increased. The entire globe became part of this economy…" (Hobsbawm 2010: 62-63).

Cain & Hopkins argue that the industries' dependence on export fortunes subsequently directly caused their decline, with falling exports and competition from Germany and the United States. Traditional industries were affected by the post-1870 export slowdown (as was the case with metallurgy). High production costs made the sector less competitive. This lack of competitiveness threatened the control of both the domestic market and the foreign market linked to the empire, which implied the preference of its leaders for protection policies and imperial preference (Cain & Hopkins 2016: 169).

Compared to other industrial countries, Great Britain industry remains basically small and investment is also very low. In an increasingly protectionist world, the maintenance of free trade also affects industrial investment. Imports of manufactured or semi-manufactured goods increased from 3% in 1860 to 25% in 1900, which is particularly important in reducing profits and investment in key industries such as steel. Low investment and low growth have led to higher unemployment, the rise of militant trade unions, and a resurgence of social unrest (Cain & Hopkins 1980: 484).

2.3.3 Finance Expansion

For Hobson (1902), the financial expansion of late the 19th and early 20th century was promoted by two different groups of actors who form elite alliances: investors and businessmen.

Investors. The first elites are those who earn cash capital through a process of investments in commodities and services. The progressive investment of profits outside the country created the conditions for financial expansion. According to Hobson and other historians, the "surplus capital" was generated mainly by taxes coming from abroad (interests, dividends and other fees). In Braudel's terms, investors are the owners of a "surplus capital".

Britain's free trade system connected the country with the rest of the world and placed it in a privileged position to be the global centre of commercial and financial operations. Thus, "Britain became the most convenient and efficient "marketplace" to procure the means of payment and means of production and to dispose of primary products" (Arrigi 2010: 169).

For its part, the British banking system facilitated the management of loans and credits and provided resources and services to medium-sized companies with a lack of liquidity. The transferred money originates from industrial and commercial enterprises but mainly from the liquid surplus of agricultural entrepreneurs in the provinces of the United Kingdom. This function of transferring capital by the banks contributed to the mercantile expansion and increased profitability.

"Rather than invest this surplus in new lines of business many of these enterprises must have chosen a far more sensible course of action: that is, keep at least part of their capital liquid and let the City, via the provincial banks or directly through brokers, take care of its investment in whatever form and in whatever location of the world-economy promised the safest and the highest returns" (Arrigi 2010: 170).

The reform of the agricultural sector within the free trade regime of 1840, with the repeal of the Corn laws by Peel, raised doubts and aspirations among actors in the sector:

"Above all, what free trade meant most obviously was that the landed elite had recognized that their own prospects for continued political and cultural dominance would be better served by a judicious concession of economic power to industrial interests. The decision also received powerful support from the Moneyed interests of southern England who had gained considerably from the slowly widening circle of world trade. Returns on overseas loans were vital for balance of payments stability, and the I95-230 million (pounds sterling) of foreign securities held by British subjects by mid-century already provided a considerable income, besides expanding Britain's 'invisible empire' overseas. Given the marked comparative advantage in financial services possessed by the City, a more cosmopolitan trade was bound to redound to its advantage" (Cain & Hopkins 1980: 477-8).

London has acquired the status of central money market city in the global economy. From London as the financial and commercial centre of world trade emerged a complex multilateral system with sterling at its core. Free trade and the ability to lend money abroad were fundamental. The main ways of obtaining sterling were by exporting to Britain or borrowing from it. Free trade, foreign investment and invisible income were closely intertwined. Britain's financial wealth remained separate from that generated in industry both geographically and socially, as well as being larger, and this in turn reinforced the links between financial institutions and overseas activity (Cain & Hopkins: 481). Figures provided by these authors are clear:

"The safe, fixed-interest securities which most attracted southern investors were found largely abroad after 1850. Foreign investments accounted for only 0,9 per cent of Gross National Production in 1830-9, but rose to 2,2 per cent in I850-9 and to 3,9 per cent in 1870-9. Returns on these loans averaged a modest 5 million (sterling) per annum in 183I-5 but had reached 56 million sterling by I876-80" (Cain & Hopkins 1980: 481-2).

The free trade regime of the late 19th and early 20th century had its advantages and inconveniences for British interests. The paradoxes were clear: free trade harmed industry when faced with protected industries abroad, but the bonanza of the financial system depended on guaranteeing this free trade. On the other hand, foreign investment generated export demand but when competitiveness declined, inevitably these loans granted abroad served to strengthen rival exporting industries from other countries.(Cain & Hopkins 1980: 485).

Businesses. The financial expansion was promoted by the business elite. This elite owned the capital, the great fortunes and financial houses, and invested in the City. Hobson sustains that these elites have great resources of power to exert control and influence over others:

"These great businesses – banking, broking, bill discounting, loan floating, company promoting – form the central ganglion of international capitalism. United by the strongest bonds of organization, always in closest and quickest touch with one another, situated in the very heart of the business capital of every State, controlled, so far as Europe is concerned, chiefly by men of a single and peculiar race, who have behind them many centuries of financial of experience, they are in a unique position to manipulate the policy of nations. No great quick direction of capital is possible save by their consent and through their agency. Does anyone seriously suppose that a great war could be undertaken by any European State, or a great State loan subscribed, if the house of Rothschild and its connexions set their face against it?" (Hobson 1902: 56-57).

As Polanyi argues, the business elite called *haute finance* was the main link and a bridge between politics and the economy. It enjoyed great freedom of action and privileges and it was perpetrated in the network of the global power of the British Empire. The Bank of England and the Treasury were the institutions that channelled the cooperation and exchange between the Rothschilds and the British Empire. (Polanyi *et al.* 2012: 10-1).

British historian Hobson harshly criticized the *belle époque* government's abuse of power by wasting the nation's fortune and business's expansive policies. In this context, Hobson ask "`h]ow is the British nation induced to embark upon such unsound business?" And his response was: " The only possible answer is that the business interests of the nation as a whole are subordinated to those of certain sectional interests that usurp control of the national resources and use them for their private gain" (Hobson 1902: 51).

In addition, the historian lists the bad imperial policies and the beneficiaries of them. The most important fact of imperialist finances is that the naval and military expenses have increased from about 25 to 79 million in about 25 years. This is the most important fact about imperialist finances. The financial, industrial and professional classes constitute the economic core of imperialism. They used their political power to withdraw these funds from the state in order to improve investment and open up new areas for capital and to find profitable markets for their remaining products. They received other important private benefits in the form of profitable contracts (Hobson 1902: 101-2). In consequence, the author maintains that:

"The creation of public debts is a normal and a most imposing feature of Imperialism. Like protection, it also serves a double purpose, not only furnishing a second means of escaping taxation upon income and property otherwise inevitable, but providing a most useful form of investment for idle savings waiting for more profitable employment". (Hobson 1902: 114-5).

Imperialist finance by its very nature was interested in creating more public debts. The financial classes set the conditions for there to be a large own public debt and for the business to be profitable, and it gave them an important influence.

2.4 British Expansion in the Gulf

For Cain and Hopkins, two different explanations were developed for British positioning in the Middle East. One emphasizes economic reasons and the other emphasizes strategic reasons in policy-making (2016: 369). A third, but secondary motive underlining British historical literature was the protection of trade from the threats of piracy. The mentioned authors lean towards the first explanation that prioritizes the economic aspect of British expansion in the Persian Gulf and ranks second the political aspect. But, after the discovery of oil in the Persian Gulf, the geo-strategic aspect was a vector and the reason for British permanence in this region rich in natural resources, in addition to the Indian factor.

During the Victorian era that began in 1876, India was the "crown jewel" of the British Empire, and the Persian Gulf belonged to the periphery of that jewel. From there arises the significant importance of this region for the grand strategy of London. The expansion policies of the British Empire in the Persian Gulf were subordinated to London's policy in India at the geo-strategic and geo-economic levels (Peterson 2009). The British Empire regarded the Persian Gulf as a region divided into two distinct parts: "a northern tier, comprised of Persia and Iraq, and a southern tier, Eastern Arabia. Early British interest in the Gulf was wholly economic and restricted to the northern tier" (Onley 2005).

2.4.1 Economic Interest: Search of Market

The British expansion in the Gulf follows the same motivating of market search and obeys the trading strategy applied by the empire. Historians such as Cain & Hopkins (2016); Hobsbawm (2010) and others highlight that economic interest and search of markets were the majors reasons for the empire's settlement in the region from the 16th century onwards. The economic and commercial activities of the state-owned EIC in the Persian Gulf region were historically prominent in the localities of Jask, Bandar 'Abbas (1616), Shiraz (1617), Isfahan (1617), Basrah (1635), Bandar Riq (1755), Bushire (1763) and Muscat (c.1570s). The Persia Agency, a subsidiary of EIC, was in charge of managing the business and the factories in the region (Onley 2005; Peterson 2009).

For the British elite, the Persian Gulf was a complementary market to India's large main one, with land and sea borders. In fact, India had great economic value in the grand strategy of the British. "60 per cent of British cotton exports went to India and the Far East, to which India was the key- 40-45 per cent went to India alone- and when the international balance of payments of Britain hinged on the payments surplus which India provided" (Hobsbawm 2010: 69). The author assumes that colonial expansion was necessary and crucial for the economy of the empire.

"The strategic motive for colonization was evidently strongest in Britain, which had long-established colonies which were crucially placed to control access to various zones of land and sea believed to be vital to Britain's worldwide commercial and maritime interests or, with the rise of the steamship, which could function as coaling stations" (Hobsbawm 2010: 67).

With regard to the importance of the Gulf sheikhdoms to the British India strategy, the British historian Onley considers that since the 18th century, Muscat has been an exception to the rules in the relationship between Britain and the Arab Gulf states. Outside of Muscat, the British had no economic interest in eastern Arabia until the early 19th century. The economic importance of the Gulf chiefs to British India was very small and almost limited to the pearl trade. Therefore, trade and transport between the Gulf emirate and British India in the 17th and 18th centuries was entirely in the hands of local traders in Arabia, Persia and India, and there were trading companies in India and the Gulf emirate. Although Gulf historians consider the value of this trade to be relatively small, its exact value is unclear, because the annual compilation of trade reports on the eastern ports of the Arabs did not begin until 1834 (Onley 2005).

The integration of the Gulf in British India intensified with the dependence of these countries on Indian and British commodities, and with the interconnecting of a maritime network linking India's route to the Gulf. Onley explains that:

"In 1862, the British India Steam Navigation Company (known as the BI Line) established a regular shipping route between Basrah and Bombay. Eventually, it incorporated the Arabian ports of Muscat (1862), Manamah (1869), Qatif (1874), Kuwait (1874), and Dubai (1909) into the route. Before the establishment of the route, British policy had been only to make the Gulf safe for British shipping. As British trade with Eastern Arabia increased after the 1860s as a result of the incorporation of Arabian ports into the BI Line's Gulf route, the Government of India began to actively encourage it. The value of the trade with Manamah, Qatif, Kuwait, Dubai, and Sharjah always remained small, however, and was never in the same league as that of the trade with large ports like Muscat (before the mid-19th century) and Basrah" (Onley 2005).

Open water steam navigation from 1860 on was expanded by the British India Steam Navigation Company, which served the major ports in the Gulf and connected them to the Indian subcontinent (and only secondarily to London). (Peterson 2009: 280)In economic terms, British India was of great importance to the Gulf sheikhdoms, but Britain's pre-oil commercial interests in the Gulf sheikhdoms are not convincing motives for arguing for involvement of the British Empire in the Persian Gulf. In line with this conclusion, Onley sustains that: "Increasing Arab economic dependency on British India, and later Britain itself, was one of several methods Britain used to increase its political influence over the Gulf sheikhdoms" (Onley 2005). This explanation based on the British approach or binary logic is also defended by his compatriot Hobsbawm who sustains that:

"politics and economics cannot be separated in a capitalist society, any more than religion and society in an Islamic one. The attempt to devise a purely non-economic explanation of the 'new imperialism' is as unrealistic as the attempt to devise a purely non-economic explanation of the rise of working-class parties" (Hobsbawm 2010:69).

2.4.2 Strategic Interest: Supremacy and Control of Periphery

The strategic interest is the second motive for the British expansion in the Persian Gulf. The position of the region as a periphery of British India and the trade communication route for EIC, reinforce the reason to expand into the Persian Gulf in the 19th and the first half of the 20th century. The Persian Gulf was therefore part of the grand strategy of expansion and was meant to control the periphery of British India. The historian Kelly argues that:

"Command of the sea is the prerequisite of power in the Persian Gulf. Only twice since the decline of the Abbasid Caliphate has a single state succeeded in imposing a hegemony upon its waters, and in both instances the state concerned was a maritime power—the kingdom of Portugal in the sixteenth century and the empire of England in the nineteenth[...] (Kelly 1968:1).

In the first case, Portugal gained control thanks to military force, while in the case of Great Britain it was trade that drove it. Two centuries later, the conquest of India forced her to maintain command of the Gulf. This was consolidated at the end of the 19th century, at which time this control was consolidated.

Hobsbawm refutes the thesis of historians justifying British expansion saying that Britain was motivated by the interest to defend itself against threats that may affect the empire's trade on sea and land routes. He underlines that the logic of territorial control was the main vector of this expansion and that the acquisition of colonies itself became a status symbol, irrespective of their value.

"It is indeed important to recall that, speaking globally, India was the core of British strategy, and that this strategy required control not only over the short sea-routes to the subcontinent (Egypt, the Middle East, the Red Sea, Persian Gulf, and South Arabia) and the long sea-routes (the Cape of Good Hope and Singapore), but over the entire Indian Ocean, including crucial sectors of the African coast and its hinterland. British governments were keenly aware of this. It is also true that the disintegration of local power in some areas crucial for this purpose, such as Egypt (including Sudan), drew the British into establishing a much greater direct political presence than originally intended, and even into actual rule. Yet these arguments do not invalidate an economic analysis of imperialism" (Hobsbawm 2010: 68).

Historically, the British were engaged in regional rivalries with the Portuguese, the Dutch and the French. In the 17th century, the fiercest competition between the English and the Dutch over control of India took place. A century later, in the 18th century, Britain deepened its dominance in India to become British India. According to Yapp (1980: 71): "[B]y 1765 Britain had become the dominant European power in India, and the East India Company had transformed itself from a trading company into a territorial power with important possessions in Bengal. The metamorphosis of the company had repercussions on its Gulf operations" (Quoted from Peterson 2009:278)). In this way, the Persian Gulf emerged as a peripheral issue of India, rather than a strategic issue of London.

The geographical position of the Persian Gulf as part of India's periphery logically exposed it to British influence. And the events and movements of its European rivals in the Persian Gulf region generated concerns and threats for British India. Hence the motivation for British expansion into the Persian Gulf and the control of the situation and the improvement of its strategic position "As India established itself in and around the Gulf with factories, political representatives, and military outposts, it found it necessary to defend those elements, and that, in turn, deepened the concomitant commitment" (Peterson 2009: 279).

The Persian Gulf played an important role in the policy of communication lines between India and the metropolis. London had three main routes of communication with India: the first, the Red Sea Postal Route, the second, the Cape of Good Hope Maritime Route, and the third, the Persian Gulf Route. The latter emerged as an essential corridor for communications, mail, and the protection of lines and telegraph stations and hence, the importance of the Persian coast in Britain's global communications strategy. According to Peterson (2009: 279):

"Originally, dispatches were sent aboard the East Indiamen ships making their way from England to India via the Cape of Good Hope, but the length of the route meant that replies to messages often took two years to be received [...] By the mid-eighteenth century, the route through Basra, Baghdad, and Syria had become well established and resulted in Basra becoming the East India Company's headquarters in the Gulf. However, the main route was shifted back to the Red Sea in 1833, and its primacy was aided by the acquisition of Aden in 1839, the construction of the Alexandria-to-Suez railroad in 1858, and completion of the Suez Canal in 1869. Reliable mail communications with the Gulf were restored only with the introduction of a Bombay-to-Basra steamer mail service in 1862".

In the same way, Onley states that the duration of the communications time has been drastically reduced and "[t]he opening of the Suez Canal in 1869 also had a significant influence on British strategy for the defence of India. Overnight, the normal shipping time between Britain and India was cut from months to weeks. The security of the surrounding areas—Egypt and Arabia— now concerned British policy-makers in London. The Gulf was moving into the forefront of Britain's global strategic planning" (Onley 2005).

The establishment of telegraph lines between Britain and India improved communication and made it immediate and direct: "The telegraph was a contemporaneous technological advance that greatly improved imperial lines of communication. A submarine and coastal telegraph system was established through the Gulf in 1864, enabling the Indo-European Telegraph Department (later Cable and Wireless) to provide an essential and profitable service until undercut by wireless competition in the 1920s. Another submarine cable was laid between Bombay and Suez in 1869" (Peterson 2009: 280).

The Gulf's strategic interest in Britain's imperial policy grew more and more as rivals emerged in the region, which forced Britian to strengthen its security and defence policies beyond India's borders. This vision and strategy and concern demonstrate the great strategic value that India possesses as a "crown jewel for the empire".

Britain's main rivals in the Persian Gulf were the Europeans, the French, the Germans, and the Russians as well as the Ottomans. The movements and activities of these actors in the region were seen both as threats and challenges to the supremacy of the empire. Firstly, the French challenge was mainly located in Muscat in Oman.

"The Gulf held no global strategic value to Britain until France sent a military expedition to Egypt (1798–1801) and entered into a military alliance with the Shah of Persia (1807–9). Suddenly, British India faced the threat of invasion from the west. Britain quickly adopted the policy of securing Persia and Muscat/Oman as buffer states against French influence [...] Thus, the Gulf sheikhdoms were important to Britain because of their proximity to British shipping lanes and to important buffer states on British India's western flank" (Onley 2005). Peterson also confirms this French challenge to the British in Muscat "the French flag was raised on smuggling dhows that resisted the Muscat ruler's authority; French arms dealers operated openly in Muscat's market, their wares destined for the North-West Frontier of India, where they were used against British forces; and Paris sought to undermine Britain's monopoly of influence over the sultan" (Peterson 2009: 287).

Secondly, German activities in the construction of railway infrastructure to connect Berlin with Baghdad were perceived as a threat.

"German threat derived from the drive to build the so-called Berlin-to-Baghdad railway with a terminus on the Gulf, most likely in Kuwait. The issue was complicated by the uncertain status of Kuwait, which was claimed by the Ottoman Empire as part of its territory. Britain's refusal to recognize this claim was demonstrated by the treaty of protection signed with the Emir of Kuwait in 1899" (Peterson 2009: 287).

Thirdly, Russian expansion into Central Asia was an indirect threat to British India. Its movements in Persia implied Russian intentions to establish access to the waters of the Persian Gulf:

"By 1885, Russia had a common frontier with Persia, from the Caspian Sea to Afghanistan, and Russian influence was spreading throughout northern Persia. From this point on, British policy in Persia was largely concerned with excluding that influence. If a major rival like Russia were to establish a naval base in the Gulf, it would pose a serious maritime threat to India. In this way, the Persian side of the Gulf became a frontier in the "Great Game" between Russia and Britain that dominated strategic thinking in India for over a century" (Onley 2005).

Fourthly and finally, the Ottoman Empire was the non-European rival perceived as a threat in the Persian Gulf between 1850 and 1913. The Ottomans claimed the Arab territories of Kuwait, Bahrain, Central Arabia, and the Trucial Coast. In fact, in 1871, Hasa was occupied by the Ottomans, and later in 1911 was recovered by the Al Sa'ud.

2.4.3 "Piracy's Pretence": Protection of Trade on the Arabian Coast

The protection of trade from the "piracy threat" was the third motive for British expansion in the Persian Gulf, according to British historical literature. According to the *Merriam-Webster Dictionary*, piracy "is an act of robbery on the high seas". For *Nolo's Plain-English Law Dictionary* piracy is: "1) Crimes of robbery, kidnapping, and similar activities on the high seas. The trial and punishment of such pirates may be under international law, or under the laws of the particular nation where the pirate has been captured. 2) A colloquial term without legal significance often used to describe wilful copyright, patent, and trademark infringement"[17].

Due to large British trade flows in the region -Persia, Iraq, Oman, India-, it was necessary to take charge of securing the routes, protecting the interests of the merchants and the goods of the travellers. And in the face of this "threat", Britain became involved in bringing order and fighting piracy on the Arab coast at the beginning of the 19th century. The "threat of piracy" led the British to discuss and negotiate the matter with the tribal sheikhs, and on January 8, 1820, the "General Treaty Trucial States", prohibiting and ending piracy, was signed. According to the historian Onley:

"Arab maritime raiders, whose activities between 1797 and 1819 caused the British great concern for the safety of their ships, had their base of operations along the "Pirate Coast". The increasing threat to British shipping eventually prompted the British to dispatch a series of naval expeditions to the Gulf. After the last expedition, it became clear that the stability of the Gulf sheikhdoms was essential for the security of the shipping lanes in and around the Gulf. In 1820, therefore, Britain embarked upon a policy of increasing intervention in Arabian affairs in order to pacify, stabilize, and secure the Gulf region". A former Indian Navy officer stated: "In consequence of the dangerous character of the Arabian coast, owing to the pirates and the prevailing winds, this portion of the Gulf littoral was avoided as much as possible by trading vessels, and nothing was known concerning the navigation of this coast, until [the 19th century]" (Onley 2005).

The Qawasim tribes were accused of piracy. They took refuge at their base in Ras Al-Khaima and controlled the Arab east coast by demanding quotas from British ships circulating in the area and by threatening the EIC trade. "They had attacked British shipping as early as 1778 and, after a pause, their attacks had increased in 1804 and in the following years, at least partly a result of their alliance with the Al Sa'ud of Najd. Some assistance was provided to the ruler of Muscat in his defense against the Qawasim, but

[17] https://www.nolo.com/dictionary/piracy-term.html [12/9/2019].

Muscat's efforts were also directed to defending the coast from the invading army of the Al Sa'ud, which was assisted by the Qawasim. In 1809, a naval expedition was sent to attack the Qasimi port of Ras al-Khaimah and Malcolm's instructions included a determination of the most suitable island in the vicinity on which to establish a residency and keep an eye on the Qawasim. In late 1809 and early 1810, the combined British-Omani expedition successfully overran Ras Al-Khaimah, Lingeh, and then Shinas, but most of the Qasimi fleet escaped destruction. In the end, however, Lord Minto abandoned the idea of a base in the region as the Al Sa'ud, to whom the Qawasim were believed to be subordinate, promised to respect British shipping" (Peterson 2009: 285-6).

In the face of repeated piracy expeditions along the coast, the British had no choice but to strengthen diplomacy and maritime presence to consolidate their supremacy in this geographical area. "When Qasimi attacks again became prevalent, another expedition was launched to capture Ras al-Khaimah and other Qasimi ports and to destroy ships and raze all fortifications. Having succeeded in this endeavor, a "General Treaty of Peace with the Arab Tribes" was signed in 1820, and it subsequently included non-Qasimi leaders and tribes as well as Bahrain. Renewed treaties were signed at intervals until the permanent General Treaty of Maritime Peace came into force in 1853" (Peterson 2009: 286).

With the purpose of developing the General Treaty of Peace of 1920, the officials of British India created the Gulf Residency institution, maintaining political relations and enhancing diplomacy with the regional leaders:

"The British Government of Bombay created the post of Political Agent for the Lower Persian Gulf, headquartered on Qishm Island in the Strait of Hormuz, to manage British India's relations with these rulers, supervise the enforcement of the General Treaty, and protect British India's ships and subjects in Arabian waters. Two years later, in 1822, the Government transferred this post to Bushire on the southwest Persian coast and amalgamated it with the much older post of Bushire Resident. The new post of Resident in the Persian Gulf —Political Resident in the Persian Gulf (PRPG) after the 1850s — was responsible for Britain's relations with the entire Gulf region" (Onley 2009).

For Arab historians, the British raised the subject of piracy in order to justify their actions in hitting the Arab naval forces, as happened to the Qawasim in the first and second decade of the 19th century after the British found that the Qawasim force posed a threat to their economic interests in the region:

"The Arab's confrontation to the British was legitimate. The inhabitants of the Persian Gulf have been navigators since ancient times and were able through the maritime industry, trade, and transport to control aspects of the activity in the Arabian Gulf until the beginning of the nineteenth century. Therefore, defending the Arabs from their right to practice the trade and protecting it from the ambitions of foreign powers cannot be considered an act of piracy, but a defense aimed at preserving their livelihood" (Ibrāhīm 1978: 151-156).

The British description of the activities of the naval denominations as piracy and their accusations of looting is an attempt to deliberately confuse them with the legitimate resistance to foreign influence and in order to cover its imperial objectives in the region. The Qawasim attacks on British ships were aimed at eradicating the British trade monopoly in the Persian Gulf, which crowded out the Gulf Arabs and cut off their livelihoods by refusing to pay customs duties at the Qawasimi ports. The development of the Arab navy in the Gulf worried Britain over its interests on the road to India. In consequence, the interests of the British made it necessary to stress the issue of piracy in their agreements and treaties with the emirates of the Omani coast.

Contemporary historian Muhammed Adnan Murad commented that piracy, whether based on religious or national duty, was considered a proud and heroic act at the time. British Queen Elizabeth II called the famous British pirate Francis Drake the king of pirates because of the constant attack on Spanish ships on the open seas "[a]s long as the looting of Spanish ships for the British at that time is a national and heroic act, why is the work of the Qawasim and attacking British ships an evil act away from humanity?" asks the author (Murad 1989: 64).

British historian Ferguson (Ferguson 2004: 2-12) narrates the greatness of the British pirates in a section entitled "pirates" and answers the question: Why were the British such good pirates? Apart from Pirate Drake, Ferguson highlights another important man called Henry Morgan who mounted spectacular raids against the Spaniards in the Caribbean robbing them of gold and silver in 1663:

"The construction work at Port Royal [Jamaica] was supervised by none other than Henry Morgan – now Sir Henry. Just a few years after his pirate raid on Gran Grenada, Morgan was now not merely a substantial planter, but also Vice-Admiral, Commandant of the Port Royal Regiment, Judge of the Admiralty Court, Justice of the Peace and even Acting Governor of Jamaica. Once a licensed pirate, the freelance was now being employed to govern a colony. ...But his was an honourable retirement. When he died in August 1688 the ships in Port Royal harbour took turns to fire twenty-two gun salutes.

Morgan's career perfectly illustrates the way the empire-building process worked. It was a transition from piracy to political power that would change the world forever. But it was possible only because something quite revolutionary was happening back home." (Ferguson 2004: 12).

British colonialism with all its power and its intellectual and material arsenal was capable of prohibiting and preventing peoples from what was their pride and interest, such as piracy and the sale of slaves.

Chapter 3 The *Longue* Qatar's Emergence

3.1 Introduction

This chapter focuses on the external and internal factors affecting the emergence of the State of Qatar. The emergence was marked mainly by the British and Ottoman rivalry and the leadership of Qassim Al Thani.[18] We believe that this historical overview is relevant both for understanding the evolution of the power structure, with strong external participation, and the modality of Qatar's insertion in the international economic system. Factors that will have an impact on the future developments analysed in this thesis.

First, we begin by describing the specificity of Arabia conceptualizing the main ideas, such as *Al-Qabila*, *Al-'asabiyyah, Al-Ghazw* and *As-Sheikh*. Second, I explain the external factors affecting the emergence of Qatar, focusing on British and Ottoman recognition of Al Thani ruling. And third, we synthesize some internal factors, mainly the social and political conditions and the authority of Sheikh Qassim Al Thani.

To do so, we rely heavily on British sources. For Valenti (2011), the historiography of Qatar was extremely dominated by British view: "The almost total reliance on British archival records and the adoption of a British narrative has [...] has characterized publications [Qatar] in both English and Arabic". To these sources we can add other relevant ones, such as Ottoman sources. Both, the British and Ottoman sources have created a mainstream perspective in the histography of Qatar. And this is mainly due to the expansion and rivalry of the two major powers in the Persian Gulf during the 19th century and their interest in the Peninsula of Qatar. We have tried to overcome this British-Turkish binary perspective by exploring and integrating a variety of historical documentation and bibliography that are either based on Arabic or French sources. Generally, the sources comprise different genres such as diplomatic and commercial archives, narratives, poetry, biographies and travel journals, etc. Historians stress that events in eastern Arabia are interlinked between their countries due to different factors such as tribal lineage, migrations, or a shared royal family.

[18] "قاسم" The letter "ق" (q) in the gulf dialect is pronounced "ج" (j). Hence, the reference to leader Qatari as "جاسم" (Jasim) by most sources. Even the official version of the state is "Jasim", see the official website of the Emiri Diwan. https://www.diwan.gov.qa/about-qatar/qatars-rulers/sheikh-jassim-bin-mohammed-bin-thani?sc_lang=ar-QA . [12/09/2019].

3.2 Life in Arabia Peninsula in Pre-Oil Era

3.2.1 Qabila as a Hierarchical Organization

In this section, we explore the basic notions explaining the specificity of the Arabian Peninsula focusing on four main concepts that have to do with the way of life of the population of this territory in the pre-oil era. *Al-Qabila* means tribe in Arabic. It represents a particular kind of social and political organization that existed and exists in some societies. According to the *Collins Dictionary of Sociology*, the tribe is a pastoral or horticultural group of people whose members share common ancestors, culture or linguistic characteristics and who are bound by reciprocal rights and obligations (Jary & Jary 2005). In the same way, the tribe brings together people who share the same ancestors and the same language and culture, and therefore, a strong kinship. The tribe can be divided into lineages that also can be divided into clans and they also share territory (Al-Fawal 1983: 11). For his part, Godelier emphasises the dialect, the common government, represented by tribal sheikhs, and the possession of territory (Godelier 2013). Thus, the *Al-Qabila* is a form of order, based mainly on a system that fits the realities of nomadic life in the desert. The system is based on the clan and the tribe. Each family had their own tent, forming a group of adjacent tents. As for the residents of the neighbourhood, they formed a clan or people, and the tribe consists of several clans with ties of kinship. Wells, grazing areas, and arable land were the public property of the tribal group. The concept of a tribe is a particular type of societal organization. A tribe is a form of social organization capable of reproducing itself.

3.2.2 *'Asabiyyah* as Value

The concept of *Al-'asabiyyah* is alternately employed to mean tribal kinship, solidarity, and internal cohesion which is often brought about by unity of blood or faith (Fathi 1994: 10). *Al-'asabiyyah* refers to the ties between members of a single tribe, which are the origin of their solidarity. This notion contains a sense of kinship, with the consequence that the protection and victory of relatives are essential. The term *Al-'asabiyyah* has a number of different meanings in English, ranging from partisanship, racialism, fanaticism to tribal solidarity.

Ibn Khaldun, considered to be one of the founders of social thought, became the first to use the term in his study on the relationship between Bedouin tribe and the state. He explained his conclusions in his book *Al-Muqaddima* (Khaldun 2012) which was published in the 14th century. He divides society into two sectors: the *Al-Hadar* (urban) and the *Al-Badw* (Bedouin), and considered that the different environments had shaped the analysed tribes. In his analysis, Ibn Khaldun established a political and sociological theory based on what he calls *Al-ʻasabiyyah.* According to Ibn Khaldun, three principles affect the loyalty and strong unity observed: kinship, the economy, and the moral order. The blood relationship constituted strong loyalty and unity; by nature, people instinctively support and protect their family members. Everyone believes that his/her family and group are more important than anything else. The recognized scholar stated that not only does kinship create *Al-ʻasabiyyah*; but that it also creates what he calls "the fruitage of the lineage and kinship". The bond of blood relation is not the only creator of descent and kinship. *Al-ʻasabiyyah* is also associated with loyalty to the group and strong friendships (Al-Jabiri 2014: 167-168).

Ibn Khaldun notes that economic factors also affect *Al-ʻasabiyyah*. *Al-ʻasabiyyah* results from hardships in conditions of scarcity of resources and the difficulties of the environment. Because of these common obstacles, tribal people support each other, which strengthens their loyalty and their solidarity. Additionally, different tribes unite and form a tribal confederation which extends *Al-ʻasabiyyah* across tribal lines. Also, moral order is a very important aspect of *Al-ʻasabiyyah*. Morals such as spiritual values and religion, good deeds, courage, and acts of sacrifice also serve for the identification of the group. For example, religion expands the circle of an individual's *Al-ʻasabiyyah* from a small group to a larger one (Al-Jabiri 2014: 185-188).

The Arab historian observed that Bedouin tribes used *Al-ʻasabiyyah* to dominate other tribes. This resulted in friction as the other tribes became stronger. Ibn Khaldun sees the state as a more advanced form of organisation and as a necessary instrument to repel the brutality inherent in human beings. Thus, within a social organization, the protection of the social order depends on the state. The social order and authority of the tribe exist in relationship of the *Al-ʻasabiyyah* to the tribe's leader. The leader is supposed to prevent the tribe's *Al-ʻasabiyyah* from weakening. This may occur through the adoption of a sedentary lifestyle. Such lifestyle is oriented towards the individual rather than the goals of the tribe goals and is based on the luxuries of life and well-being that remove the individual from the solidarity and loyalty of the tribal people according to Ibn Khaldun. In this case, the tribe will become weak and cannot defend itself. Therefore, Ibn Khaldun argued that dynasties usually have only three or four generations. After the fourth generation, another tribe with a strong *Al-ʻasabiyyah* will become dominant. It is important to remember that while tribal *Al-ʻasabiyyah* initially arises voluntarily through the sharing of moral bonds, individuals who are perceived as engaging in actions which are detrimental to a tribe's *Al-'asabiyyah* and unity, experience social control through force and coercion by the tribe (Al-Jabiri 2014: 189-209).

3.2.3 *Ghazw* as an Economic Resource

Al-Ghazw is a kind of raiding and banditry. This prevailing understanding of *Ghazw* applies to what was going on in the Arabian Peninsula. The predominant economic conditions in Arab lands were very harsh and quite compelling, which made the *Ghazw* vital. Tribal groups that did not initiate *Ghazw* were vulnerable to accusations of weakness and therefore, they became potential victims of raiding by other more strongminded and older tribal groups (Wald-Dadda 2002: 48).

The raids -if successful- provided the owners with the necessary means of subsistence, which they desperately needed in the prevailing extremely harsh economic conditions. Besides, it put them in a state of constant alertness and vigilance, amid a harsh framework full of surprises. Over time, the *Ghazw* became an integral part of the ancient Arabs' daily lives and usually their established habits. Since the *Ghazw* was a habit of the ancient Arabs - and all peoples living in similar circumstances - the inhabitants of the deserts of the peninsula, sometimes forced to raid their relatives, especially if they do not find other members of the tribes to raid. This way, there were continuous raids and wars between the various tribes of the peninsula to seize wells and other water sources and pastures. In such situations, the settled inhabitants of the oases and those belonging to the weak tribes had to put themselves under the protection of powerful tribes through a treaty by which they would pay a right, locally called *"Khuwa"*, to the leaders of these tribes.

It should be noted that the inhabitants of the deserts of the Arabian Peninsula were not just *Ghuzat* (raiders), but shared these practices with others linked to hospitality. They viewed the obligation to host guests as a sacred duty (Wald-Dadda 2002: 49).

3.2.4 Sheikh as Authority

The tribe, the social framework in which the families of the deserts of the Arab lands lived, was under the authority of a sheikh or major. As for the choice of the sheikh, it was the prerogative of a council or a group composed of but also limited to tribal elders. The elders, in their choice, assess leadership qualities, including courage, decency and integrity, generosity, vigour and wisdom (Wald-Dadda 2002: 50; Onley & Khalaf 2006).

The sheikh's authority was not absolute, as some imagine, but had clear and explicit boundaries that could not be crossed. For example, the sheikh had to consult with the elders before making final decisions on important issues, for example related to jurisdiction, war, and others. Since the sheikh's authority depended on his worth and the trust of the members of the group, it weakened and collapsed, and often disappeared when this trust was lost (Wald-Dadda 2002: 51).

These conceptions have had an important influence on the course of the development of events in the Arabian Peninsula and on the history of Qatar, our case study. In the following section, these elements will form part of our analysis of Qatar's external context and the interests of foreign powers in the country.

3.3 External Powers: Rivalry and Interests in Qatar

3.3.1 Introduction

In this section, we explain the external factors affecting the emergence of Qatar, focusing on the British and Ottoman recognition of the Al Thani family's rule. The British and Ottoman sources of Qatar's history can hardly be regarded as neutral and they do not obey the logic of government policy and claims, as the two powers claimed influence over Qatar. Situated in the era of imperial colonialism, there are a variety of concepts that explain different situations, each providing with meaning, semantics and consideration.

Turkish sources use the word *Hakimiyet* to describe Ottoman sovereignty over Qatar, while Arab historians (al-ʿAqqād 1992: 167) us the term influence (*Nufudh 'Uthmani*) and not sovereignty (*Siyada*). This is also the case with other concepts and words such as power, control, dominance, and authority. Hence, the reason for the dilemma of linguistic variation in the narrative of the archives and sources. As is well known, to determine the validity of sovereignty, the actors base their demands on historical claims, which, as we shall see, are not always agreed upon.

Given the content of this section on the relations of different external powers with Qatar, we stress that describing and analysing the state and sovereignty in the Middle East from the conception of sovereignty as used in International Relations literature is a difficult task, especially in the 19th century. According to Thomson:

> "Sovereignty is best conceptualized in terms, not of state control, but of the state authority. State control was waxed and waned enormously over time, regions, and issue-areas while the state's claim to ultimate political authority has persisted [...] Sovereignty is the recognition by internal and external actors that the state has the exclusive authority to intervene coercively in activities within its territory" (1995: 214-19).

But in practice, applying the definition of sovereignty to Qatar and cases of the Persian Gulf during the 19th century is complicated and does not offer clear conclusions. Thomson (1995: 230) highlights: "The complexity of sovereignty and suggests that the quest for empirical measures of sovereignty may well be quixotic". Valenti (2011: 65) also supports the complexity of the application of the notion to the Arabian Peninsula of the 19th century and Qatar: "this issue of defining sovereignty may seem immaterial, and it is probably best to say there is no definitive answer".

We will, therefore, apply some components of sovereignty in Thomson's definition (recognition, authority, coercion and territory) to analyze and explain the foreign powers' relations and interests in Qatar. According to Fawcett (2017):

> "[...] before drawing new conclusions about states, their territorial integrity, sovereignty deficits and governance failures in the Middle East, we should select terms carefully. A concept used indiscriminately is both deficient and counterproductive".

In the historiography of Qatar, there is no consensus about events and there are different versions depending on the source, i.e., considerations from historians and sources about the power of the Ottomans in the Gulf and Qatar.

3.3.2 Ottoman Dilemma: Political Incapacity and Military Incompetence

During the 19th century, relations between Qataris and Ottomans were characterized by both conflict and cooperation. Our goal is to determine, what influence and power did the Ottomans exert over Qatar? What interests did they have in Qatar? And further, what kind of dependence did the Qataris had on the Ottomans? To address these questions, we focus on the major events and issus as: Campaign Al-Hasa[19] in 1871; Qassim as Qa'immaqam, and the Wajba Battle in 1893, that can clear the nature of these relationships. Following we map the Ottoman dilemma of sovereignty and authority:

3.3.2.1 The Ottoman Dilemma: Authority or Sovereignty

The Arab historian Salah Al-'Aqqad sustains that the Ottoman presence in the Gulf was not motivated by claims to sovereignty over that territory, but rather by claims to an informal leadership authority:

> "The Way we understand Ottoman state and sovereignty is different today. Sometimes was premised on spiritual leadership and sometimes on military conquest, but it was not linked to the land or citizen as it is common today. Thus, it is quite difficult to delineate

[19] Area of Eastern Arabia (الأحساء).

the extent of the reach Ottoman authority on the shore of the Arabian Peninsula. However, the case of al-Ahsa is different. [Both there] and in Qatar, [Ottoman authority] did extend there for a long period...except that extension of Ottoman authority in the Arabian Peninsula was not consequential until the post-1870 period." (al-ʿAqqad 1992: 167)

We have observed that this statement by the author is widely shared except for Turkish and Ottoman versions. And although the Ottomans embarked at Basra in 1541, this does not mean that they were able to control and exercise power over the Gulf territory. Some historians put forward the hypothesis of Ottoman military weakness and their inability to confront their British and Persian rivals. They also underline the geographical and ethnographic factor as a setback for exercising dominion in the area. According to Al-Khatib (2014), the Ottoman authority in the Persian Gulf did not last long:

"Despite the Ottoman's invasion of al-Hasa in late 16th sixteenth century and their limited success in establishing an authority there, this authority did not last for long because it collapsed at the hands of Banu Khalid who became the rulers of al-Hasa since 1670 even though they gave their formal loyalty to the empire through their relations with the Ottoman rulers of Basra. At the same time, the Ottoman Empire was involved in its problems in Balkans".

Saldanha (1904), a civil servant in the Indian Foreign Department relates his view of the Ottoman presence in Qatar in a publication commissioned by Lord Curzon while Viceroy of India (1899–1905), with detailed remarks and in a lengthy manner. Valenti summarizes Saldanha's statements in three important points:

"First, for whatever occluded reasons, Saldanha implies that the British initially accepted Ottoman control over Qatar, and his language suggests a backtracking from that initial position. Secondly, the backtracking on that earlier position was less due to what we might call quantitative elements of sovereignty (a necessary amount of administrators and/or troops), but rather to the difficulties, threats and challenges to British interests in the Gulf (British Indian subjects, British shipping, and uncontested British influence over Bahrain). Third due to the unfolding of these events, the British position (as Saldanha calls them "disclaimers") on Ottoman sovereignty over Qatar emerged over time, and not precisely and immediately in 1871" Valenti (2011).

Saldanha incorporates in his study the correspondence from 1893 between the Government of India and the Foreign Office in London, in which the Indian authorities requested advice regarding the validity and continuity of the 1883 decision to deny Turkish jurisdiction over Qatar. The Secretary of State wrote back:

"[...] Her Majesty's Government observe that the Turkish authorities, although they maintain a garrison at Bidaa, appear to have practically no hold on the country. So long as they do not move beyond the limits of the town, the nominal suzerainty [sovereignty] of the Porte is recognized; but any attempt to extend Turkish authority is resisted. There seems therefore to be no sufficient reason for allowing the pretensions of Turkey to interfere with our liberty of action, or to prevent Your Excellency's Government from making such treaties with the chiefs of Katar as may be considered desirable" (quoted in Saldanha 1904: 40-1).

However, Turkish historians Kursun (2010) and Sapan (2001; 2009) as well as Ottoman sources highlight real Ottoman sovereignty over the Persian Gulf including Qatar. To do so, they put forward several arguments related to the great power of this Islamic country, containing the "Caliphate", and that has a close relationship and spiritual link with the population and the authorities of the Arabian Peninsula. They also underline that some Gulf leaders rely on Ottoman force, recognizing their sovereignty to face the British and Persian powers. And finally, they remind of the military and political presence in the Arabian Peninsula and the presence of an Ottoman garrison at Bidaa (Doha). In the following sub-sections, we will explain some of the developments that we believe may help to better understand the issues related to sovereignty and influence.

3.3.2.2 Campaign Hasa 1871

In the 18th century, the Ottomans took advantage of internal and external conditions to initiate their military campaign, called Hasa Campaign, in Najd, with the objective to spread their authority and power through military and political presence in the Persian Gulf. Midhat Pasha (1869-1872), the *vali* (ruler) of Baghdad, was the leader who convinced the Ottoman Sultan to increase Ottoman authority and power in the Persian Gulf, even if this meant a possible confrontation with the British Empire. Historians note that three main factors influenced this decision: First, Midhat Pasha estimated that the Muslim population of the Persian Gulf and the sheikhs would welcome the Ottomans. Second, on November 17, 1869, the Suez Canal was opened for international navigation, which allowed the Ottoman navy to move faster and which increased the Gulf's geostrategic importance. And third, the dispute between the Saudi ruling family forced Emir Abdullah Bin Faisal to ask Baghdad *vali* Midhat Pasha for help to confront his brother Saud. This campaign was directed at expanding the authority of the Ottoman Empire over the Arabian Peninsula (Al-Mansour 1975: 132-42).

In April 1871, Nafidh Pasha, *vali* of Basra, headed the "Campaign Hasa". According to Russian sources, he managed to conquer the provinces of Hasa and assigned them rulers from the Ottoman empire. At that time, Sheikh Qassim Bin Muhammad Al-Thani who assisted his father in ruling Qatar, moved to Hasa expressing his wish to be under the subordination of the Ottoman government. Sheikh Qassim requested the Ottomans to supply him with a military force from Hasa to support him in facing the British pressures, after his father signed the 1868 treaty with the British (Al-Khatib 1998). In consequence, it is the very internal competition for power between the primary elites of Qatar that conditions (along with colonial greed) external alliances. But above all, it reflects a complex web of competition for the maximisation of power, capitalising on the rivalry between the British and the Ottomans.

In July 1871, according to British sources, an Ottoman campaign, led by Abdullah Al-Sabah reached Doha, who was welcomed by Qassim by hoisting the Ottoman flag over his palace. Britain was following these developments with serious concern. During this event, the ruler of Qatar, Muhammad bin Thani, did not object to his son's conduct and did not prevent him from raising the flag over his palace. The British authorities protested against the action of the Ottoman Empire, which retained a permanent military garrison at al-Bidaa. Britain based its protest on the fact that Qatar's sheikh had signed a treaty with Britain since 1868. Although the Ottomans assured the British authorities that it would not extend its authority to the rest of the Arabian coasts, it sent a new Ottoman military force, supplied with guns in January 1872 to Qatar to support its garrison there (Al-Khatib 2014: 98).

According to historian Zakaria (1966: 203-4), the "Hasa Campaign" set the basis on which the Ottoman Empire depended in assuring its total sovereignty over the region. The Ottoman Empire used the supposed threat by the British as a pretext to rule over some parts of the Gulf. Moreover, some Qatari tribes and sheikhs like Qassim welcomed the Ottoman interference, which additionally strengthened the Ottoman pretext. The historian notes that this campaign resulted in the British reinforcing their authority and military presence in the Gulf and improving their relations with the sheikhdoms.

Therefore, the Ottomans were able to exert temporary, though weak control over the Hasa area. With the figure of Mutasarrif of Najd, they created an administration under the orders of Vilayet Baghdad. These activities of the Ottomans as well as their presence forced the British authorities to recognize Ottoman authority and/or sovereignty over the territory of Hasa, which extends from Basra to Qatif. This authority over this eastern Arab area, according to Al-Khatib (2014: 99), was decreasing over time. "The Ottoman authority over Hasa and Najd was not strong, especially after the dismissal of Midhat

Pasha from Baghdad, and the spread of Wahhabism doctrine in parts of Hasa, and the Saudi's revolutions". For Al-Khatib, there was no British recognition of the sovereignty of the Ottoman country except for the limited presence in Bidaa and Wakrah. Although the Ottomans depended on the garrison's force, the real authority for the rule and administration remained in the hands of Al-Thani (Al-Khatib 2014: 100).

3.3.2.3 Qassim Qa'immaqam[20] in 1876

Qassim's status as *Qa'immaqam* is one of the strongest arguments of Turkish historians, Sapan and Kursun, to demonstrate Ottoman sovereignty over Qatar, to be added to those already mentioned. The leader of the garrison at Bidaa stated that Qatar became part of the Ottoman sphere and that Qassim Bin Muhammad Al-Thani became the *Qa'immaqam* of Qatar with an annual salary. The country had the right to assign judges and administrators for the districts of Qatar (Al-Mansour 1975: 132-42). This position of Qassim Al-Thani as *Qa'immaqam* has generated a debate about the representativeness of Sheikh Qassim in the Ottoman government.

The status of Sheikh Qassim as *Qa'immaqam* and his welcome of the Ottomans during this stage is explained by his wish to get rid of the restrictions of his father's commitments to the British and to avoid paying the tax imposed on tribes in Qatar and Bahrain. In other words, this means that the sheikh's strategy was aimed at ending any dependence and relationship of the Al-Khalifa of Bahrain with Qatar. Sheikh Qassim accepts the authority of the Ottoman Empire in Bidaa and also discredits the British for their lack of protection of the Qatari population from piracy on the coast.

It can be understood that Qassim took advantage of the rivalry between the Ottomans and the British to improve his negotiating position and to try to reduce Qatar's dependence on these powers and to focus on achieving Qatar's freedom and independence (Al-Khatib 2014: 98-9). It is therefore a question of seeking an autonomous space, while recognising that the resources available to him did not match those of his international competitors. According to Saldanha:

"Sheikh Jasim however still persisted in maintaining that Katar belonged to the Turkish Government should have dealings with their officials, not with him; since he was only a merchant who wished to be on terms of friendship with the British in regard to his personal affairs. But it will be seen hereafter that he never ceased to make himself

[20] *Qa'immaqam*: Kaymanhan in Turkish, is the person who replaces another in his position; e.g., the Qa'immaqam of Istanbul is the first deputy of the grand Visier (Minister), took charge of the conduct of state business including the financing of war and the communications with the front (Murphey 2008: 213).

obnoxious to the British and their subjects in Katar and was really at the bottom of many of the piracies and outrages against the British Indian traders on the Katar coast" (Saldanha 1904: 28).

Anscombe explains the mechanisms at work:

"Where a respected Sheikh already ruled and was to recognize Ottoman supremacy, Midhat was willing to confer official standing, as his appointment of Qasim al-Thani to *Kaymakamlik* of Qatar shows. In other regions, Midhat might well expect that impartial outsiders, aided by advice from local notables on the administrative councils, could best control tensions between groups and individuals. As the confusion and novelty surrounding introductions of the new regime died down, changes could be made and more local men included in government" (Anscombe 1997: 64-65).

Wajba Battle 1893: The Turning Point

Finally, in 1883, a battle between the Ottomans and the Qataris took place in the locality of Wajba. The outbreak of the Battle of Wajba is the consequence of two main elements: a) the disturbances that took place in Qatar: Bidaa, Khoor, etc. which provoked the looting of Indian merchants and their bad treatment, which led to the protest of the British; and b) The excess in the Ottoman control and the establishment of an administrative apparatus. The victory of the Qatari in battle was a turning point in their relations with the Ottomans.

3.3.2.4.1 British Protests: Expatriates' Protection and Disturbances

Sheikh Qassim exploited the opportunity of his status as the *Qa'immaqam* of Qatar, trying to get rid of the influence of Indian merchants (British expatriates) who controlled the trade in Bidaa and sought to push the Ottomans to exercise their sovereignty over them under the pretext of seeking to limit British influence there. They succeeded in getting the Ottoman governor of the Hofuf region to summon two Indian merchants to account for their actions (Abdelkarim 2008).

Between 1874 and 1877, the tension between Sheikh Qassim and the British increased as a result of attacks by groups from the Bani Hajar tribe on British interests. In December 1974, a British-Indian ship was attacked when anchored in the port of Al Khor. The attackers looted some of the money and fabrics belonging to Indian traders in Doha. The British reaction was immediate: Lieutenant Praser sent a letter to Sheikh Mohammed asking him to pay the required compensation to the affected British citizens, the Indian traders in Doha, as a result of the actions of some of his kinsmen. The compensation was estimated at approximately 10.000 Indian rupees. Britain protested the summons of the Indian merchants and the Ottomans released them because they did not want to provoke Britain. In return, Britain appreciated the situation and refrained from attacking Bidaa, to avoid provoking the Ottomans (Abdelkarim 2008).

Later, Qassim used the same strategy of sowing chaos in Bidaa to reduce the influence of the Ottomans. Years after Qassim's approval of Ottoman sovereignty, the Ottomans took action to diminish Qassim's authority, especially after deciding to establish an office to collect tax customs in Qatar in 1887. In response, Qassim followed a nifty plan. He stayed away from Doha temporarily, residing in the interior of the country and declaring that he was not responsible for the attacks to of two British Indian Banian traders by the residents of Bidaa in July 1887. As a consequence, all the British Indian residents at Bidda were subsequently removed to Bahrain and a fine was eventually levied by the British (Rahman 2005: 64).

In the summer of 1888, the Ottomans' response to the British protests over the disturbance in Bidaa was to send a battalion of 250 soldiers to support their military force, after the visit of Basra's ruler Nasef Pasha to Bidaa. He ordered the construction of a coal depot and placed a permanent military ship in Qatar waters demonstrating its capability to keep the peace there:

"It seemed that Jasim was not satisfied with these events that provoked him to the extent that his men killed some Ottoman soldiers whereas the others escaped. As result, the Ottoman authorities were obliged to send supporting forces" (report by Political Residency 1986: Vol. III, 1883-1890), p. 10).

The *manoeuvres* of Qassim were a complicated challenge because Qatar has a peace treaty signed with the British in 1868, although as we know Sheikh Qassim risked allying itself with the Ottomans. He aimed to tense the conflict and rivalry between the two powers and improve its political position. These movements allowed him to develop and control the pearl business in Doha and its economic resources (Zahlan 1979: 56).

3.3.2.4.2 Ottoman's Excess Control in Qatar

Following the Hasa Campaign, the Ottomans wanted to administratively control the territory of Qatar to contest the British. The disturbances in Qatar, the official British protests and the lack of loyalty of Sheikh Qassim accelerated the Ottomans' taking measures to dominate the situation and to bring order to the country. These measures were considered disproportionate and had a perverse effect. It should be remembered that this was a relatively small and sparsely populated territory. The Ottoman official report describes Qatar as:

"The town of Qatar [Qatar kasabası] has about 200 houses [probably an error for 2000] and is said to have a population of 6000 and consists of two parts, namely of a western section inhabited by the al-Bu Kevarah [Al Bu Kuwara] and Sudan tribes, called al-Beda', and of an eastern section called Doha where the other tribes live" (Kurşun 2002).

Between the period from 1889 to 1891, the Ottoman Empire insisted on establishing a direct Ottoman administration in Qatar and imposing fiscal regulations, as the tax customs and financial supplies ceased to reach Istanbul and remained in the hands of Sheikh Qassim. In Bidaa in 1889, the ruler of Hasa, Akef Pasha proposed the Ottoman plan of administrating Qatar to Sheikh Qassim, including: (1) the assignment of a deputy to the Sheikh himself because of his frequent absence from Doha, (2) the establishment of a governmental administrative building for this purpose, (3) the provision of two forces, Infantry and Cavalry, (4) the assignment of an Ottoman manger to the port of Bidaa to be responsible for collecting taxes from the Qatari ships, (5) the opening of two post offices at Zubara and al-Odaid. (6), and two steamy ships regularly between Doha, al-'Aqir and al-Qatif; plus other projects to rebuild Zubara and al-'Odaid (Saldanha 1904: 162-4).

Qassim rejected the proposals of the Ottoman leader, not only because they would have weakened his prestige and reduced his authority, but also because they would have deprived him of financial resources such as the customs duties. For the sheikh, the imposition of tax customs on merchants and ships and on the income from the pearl business, would have caused the population to leave the country. Moreover, assigning him a deputy would have allowed the Ottoman country to interfere in all of Qatar's affairs. Qassim opposed the pasha's plan by declaring that he did not recognize Ottoman authority over Qatar. He also incited the people of Bidaa to disobey and obstruct Ottoman instructions and procedures to defeat the creation of the customs office. He cancelled the payment of the Ottoman tax in full, which irritated the latter in Basra, Hasa and Istanbul. This episode accelerated the deterioration of Qatari and Ottoman relations (Zahlan 1979: 53).

In February 1893, the Ottomans led by the *Wali* of Basra, Muhammad Hafid Pasha reached Bidaa, accompanied by a military force consisting of 300 cavalries and a squad of infantry in addition to the military support offered by Kuwait's ruler, Sheikh Muhammad Al-Sabah. When Qassim was informed of the Ottomans' plans and intentions to arrest him, he left Bidaa and retired to Wajba. His strategy was to delegate the negotiation with the Wali of Basra to his brother Ahmed, while excusing himself on the basis of bad health conditions. In this way, his brother was the liaison between the two parties, who exchanged letters for weeks (Zahlan 1979: 52-3).

On March 25, 1893, and because of the failure of negotiations and the resounding opposition of Qassim to the Ottoman demands, the Wali of Basra imprisoned Qassim's brother Ahmed and sixteen notables of Bidaa and blocked the city by sea and land. They also decided to attack the Wajba locality where Qassim had found refuge. But on April 13, an Ottoman military force was ambushed and attacked by the Qataris in the area of Al-Mseimer, which caused several losses and casualties. The Ottomans had no alternative but to withdraw by fleeing to Bidaa where the Ottoman troop ship was anchored, leaving behind the canons in the hands of the Qataris.

The confrontations with the Qataris in the desert was a defeat for Hafid Pasha, forcing him to retreat and move his headquarters aboard the ship. He also freed Sheikh Ahmed and the Bidaa notables because of pressure from Sheikh Qassim and his privileged position, as Qatar's military forces occupied and controlled the water wells near Bidaa, the main supply for the town. It goes without saying that the Kuwaiti force never entered Qatar. Therefore the Ottomans were obliged to renegotiate the truce with Qassim (Sinan 1966: 95).

According to Qatar's historians, the failure of Wali Hafid Pasha's policy and the Ottoman defeat in Qatar are a milestone in Qatar's history, not least because of the courage with which Qassim and his men resisted, but also because of Qassim's charisma. The prestige of Qassim as a man of courage and strength grew, even more, when the Ottomans had no choice but to grant him a full pardon and his authority was fully restored. The confrontations and the clash with the Ottomans led Qassim to change his alliance and to submit to British protection (Sinan 1966: 95; Zahlan 1979: 54).

3.3.3 British and "Vexed Question": The Threat of "Pirate Coast"

For British Foreign Ministry officials, Qatar was a "vexed question", as it came into conflictive issue to manage, between to be a strategic interest for expansion, or to be an aim of maintaining the Gulf as a British lake of vital importance on the route to India. This clash of interests was reflected in the opposing attitudes towards Qatar of the Ministry of Foreign Affairs in London and the Government of India in Delhi (Zahlan 1979: 47).

As we stated in the previous section, the Hasa campaign and the Ottomans' interest in controlling the Gulf was a consequence of the growth of British authority and interests in the region. Britain extended its dominance over the Persian Gulf during the first half of the 19th century, and the southern coast of the Gulf became subject to British control, either through its military presence or through treaties restricting the hands of the area's sheikhs on the pretext of preserving commercial interests and putting an end to the "piracy threat" and the slave trade.

3.3.3.1 Muhammad Bin Thani and the Peace Agreement of 1868

The 1868 agreement indirectly recognized the authority of Sheikh Muhammad ibn Thani as ruler of Qatar and marked the origin of the emergence of a Qatari sovereign national territory. The official beginning of the new relationship between the British and the Qataris began on September 12, 1868 when the Sheikh of Qatar, Muhammad Ibn Thani, signed a peace agreement with the British Resident of the Persian Gulf, Bushire Colonel Lewis Pelly, in which he promised to maintain the maritime peace, to recognize the authority of the British Political Resident, and to maintain good relations with the Sheikh of Bahrain. The content of the statements made and sealed by the two leaders mentioned the following:

> *I, Muhammad bin Sanee [Thani], of Gutter [Qatar], do hereby solemnly bind myself, in the presence of the Lord, to carry into effect the undermentioned terms agreed upon between me and Lieutenant-Colonel Pelly, Her Britannic Majesty's Political Resident, Persian Gulf:*
> *1st – I promise to return to Dawka [Doha] and reside peaceably in that port.*
> *2nd – I promise that on no pretense whatsoever will I at any time put to sea with hostile intentions, and, in the event of a dispute or misunderstanding arising, will invariably refer to the Resident.*
> *3rd – I promise on no account to aid Mahomed bin Khalifa, or in any way connect myself with him.*
> *4th – If Mohamed bin Khalifa fall into my hands, I propose to hand him over to the Resident.*
> *5th – I promise to maintain towards Sheikh Ali bin Khalifa, Chief of Bahrain, all the relations which heretofore subsisted between me and the Sheikh of Bahrain and in the event of a difference of opinion arising as to any question, whether of money payment or other matter, the same is to be referred to the Resident.*[21] (*Records of Qatar, Primary Documents Vol. II* 1991: 124-5).

[21] Secretary of the Government of Bombay, Records of Qatar, Vol. 2, pp. 124–5.

The agreement meant that Sheikh Muhammad bin Thani would cease to disrupt maritime trade and promote coastal piracy. Besides, it recognizes the arbitration and authority of the British Resident in his disputes with his neighbours in Bahrain. Muhammad Bin Thani's statements committed him to loyalty, good neighborliness and fulfilling his tax commitments to Sheikh Ali bin Khalifa.

The main cause of the 1868 agreement was Bahrain's attack on Qatar, which had serious consequences in the area. On this occasion, the British Resident Pelly reproached and reprimanded the Sheikh of Bahrain for these conflicting violent acts. And in the face of complaints from the Qataris, the colonel proceeded to sign the agreement together with Muhammad bin Thani and forced him to keep peace and not to promote piracy.

The signing of the 1868 agreement took place on the British Navy ship 'Vigilant' anchoring on the Qatari coast. The Vigilant meeting was attended by other sheiks of Qataris tribes like Sheikh Jebran ibn Bahar, Sheikh Mahomed ibn Saeed, Sheikh Abdulla ibn Mahomed, Sheikh Fudhel Ibn Mohanna, or Sheikh Ranshid ibn Jabar. This British recognition of the sheik improved his position of power among the other sheikhs, taking into account his leadership, legitimacy and respect among the Qatari (Fromherz 2012: 56).

Faced with the vacuum of an interlocutor authority in Qatar, the British supported Muhammad Bin Thani to be able to bring order to the peninsula and to resolve the threat of piracy and protect their interests. This British external interference in Qatari affairs pushed the Al-Thani dynasty to strive for supremacy and power control in Qatar to the present day.

3.3.3.2 British's rivalry for Zubara and al-Odaid

In the second half of the 19th century, Al-Odaid and Zubara were the two primary matters that fuelled the conflict and rivalry between the Ottomans and the British in Qatar. The British, aiming at expansion in the Gulf intended to restrict the Ottoman presence on the Qatari coast, where al-Odaid and Zubara occupy conflictive strategic positions. Al-Odaid is located in the north related to Bahrain, and Zubara one is located in the south related to Abu Dhabi. The following is a brief overview of these issues.

Concerning the Al-Odaid issue, Britain considered that Qatar's borders did not include the Al-Odaid territories, while Qassim and the Ottomans insisted on considering the area within Qatar's borders and, consequently, was subject to Qassim's and Ottoman authority. This matter became a conflict between the parties. Britain aimed to prevent the

Ottoman authority from reaching the Omani coast of the sheikhdoms, which were considered to be subject only to British authority (Saldanha 1904: 141). In 1873, the conflict worsened after the failure of negotiations between the British and the Ottomans over the subject. In 1880 there were mutual attacks between Qatar and Abu Dhabi. In this conflict, Qassim was denied the military aid requested from the Ottomans to face the British and Abu Dhabi rulers. The British considered that Al-Odaid belonged to Sheikh Zayed bin Khalifa ruler of Abu Dhabi. Despite British pressure, Qassim kept his claims *vis-á-vis* the British over the Al-Odaid territory. According to Russian resources, in 1892, the British protested against the actions that the Ottomans performed in the Gulf and their attempt to spread their authority in Qatar through the assignment of Turkish managers at Al-Odaid, Al-Wakrah and Zubara (Al-Khatib 1998).

Concerning the Zubara, issue, these territories occupied a special place in Qatari memory, thanks to its status and position as one of the earliest and most important trading and pearl fishing ports in the Gulf. This area, which extends around a shallow bay on the sheltered western shores of the Qatar Peninsula, near Bahrain. The India Office Records demonstrate the exchanges that have taken place between Britain and Qatar over the last three centuries. During this period, the East India Company was the largest British trade player in the region. In 1874, the Ottomans attempted to rebuild the port of Zubara, which led to protests from British authorities in the Gulf, who feared that this would become a hostile point against the British and their authority in Bahrain, especially for the Bahraini sheiks who have ancient claims to Zubara. In 1875, following the alliance of Qasim Al-Thani and Nasir bin Mubarak to appropriate the city of Zubara, there was an exchange of attacks between them and Bahrain. Hence, the British navy intervened and started to bombard the port which resulted in a protest by the Ottomans. In 1878, the British repeated the action when the Ottomans re-attempted to increase their authority claims over Zubara (Jamal 1966: 234; Zahlan 1979: 47-48).

In October 1888, the British authorities in the Gulf exploited these developments of Zubara and attempted to impose their authority over Sheikh Qassim. The British were inclined to deny the Turkish government's right to control Qatar's peninsula and the occupation of Zubara. The British Political Resident travelled from Bushire to Bidaa and met Qassim who sought revenge from Abu Dhabi, "[b]ut promised to respect maritime peace and neutrality" (Political Residency 1986: Vol. III (1883-1890), p. 10).

3.3.3.3 Qatar-British Rapprochement: A Long-Standing Goal

The Qatar-British rapprochement was consolidated after Qassim managed to defeat the Ottomans in the Battle of Wajba. Moreover, the Ottomans could not defend Qatari interests against the British in Al-Odaid, Zubara and Bidaa.

Qassim's position towards the British gradually changed over time. It was mainly because the British were gaining power over the Ottomans in important locations such as Al-Odaid, Zubara and Bidaa. And this led them to reconsider and improve their relations with the British and to try to replace the alliance with the Ottomans. For the British, the presence of the garrison and Qassim's *Qa'immaqam* status weakened their authority in Qatar. Therefore, they were also interested in approaching Qassim and in gaining his loyalty. In turn, they reinforced Qassim's position as the interlocutor of the Qatari tribes. It is from there that he defended his interests. This meant bypassing the Ottoman diplomatic channels and going straight to Qassim and holding him personally responsible as local leader which questioned the substance of his Ottoman representative status (Zakaria 1974: 245).

The deterioration of relations between Qassim and the Ottomans, especially after the Wajba Battle, was a golden opportunity for the British to try to mediate in the conflict between the two parties and to take advantage of the situation to interfere in Qatar's domestic affairs. It should also be noted that Qassim on his part increased his interest in approaching the British, making proposals for protection, and a "trucial statute" similar to the one that had been acquired by nearby kingdoms since 1820 (Lorimer 1915:1256).

On May 5, 1893, the British Political Resident Talbot was sent to Qatar by Lord Rosebery, Foreign Minister of the government in London, to lead the mediation and to try to resolve the crisis. Upon his arrival in Bidaa, the Ottoman governor refused to discuss the issue with him and protested against British interference in this matter (Lorimer 1915: 1249). The British Resident followed his mission and met Qassim in Wakra on April 12, 1893, whose attitude towards the Ottomans he supported. Qassim informed Talbot that he delegated and authorized his brother, Sheikh Ahmed, to carry out the negotiation and agreement, accepting any just settlement taken by the British. Among the proposals, the Qataris asked that the 1868 treaty be renewed with them or that they agreed to accept the same commitments than those that were achieved with the sheikhs of the Omani coast. For his part, Talbot asked Sheikhs Qassim and Ahmed to speed up the solution of the problem so that the diving season would not be interrupted due to the immigration of many of the citizens for fear of the Ottomans (Saldanha 1904: 40-42).

A posteriori, Talbot made recommendations, based on meetings and observations in Qatar, for the British government to do everything possible to safeguard the withdrawal of the Ottomans; and to support the independence of the sheikhs of Qatar in the same way as it had supported the sheikhs of the Omani coast. He also expressed his conviction that the Ottomans will forgive Qassim to avoid British mediation and that they will probably ask for a small annual sum of money in exchange for what they considered their rights in Bidaa before their withdrawal from Qatar. He proposed that the Indian Government would commit itself to guaranteeing the payment of instalments to cover the compensation (Saldanha 1904: 40).

However, despite the failure of British mediation through its Gulf Resident, the correspondence exchanged between the Indian government and the British Foreign Ministry demonstrated Britain's intention to interfere to protect Qatar and face any military campaign that Turkey might consider sending. It also demonstrates the intention to prevent the Turks from increasing their presence outside Al-Bidaa or from making any *manoeuvre* attempt to increase their authorities and forces in Qatar. At the time, the British navy conducted the vigilance of the coast of Qatar (Lorimer 1915: 1249).

In 1898, Robinson, the British Maritime Officer, visited Bidaa with the permission of the Indian government and wrote a report in which he spoke of the destruction that this city had suffered after the war of 1893, especially through the confiscation of their property by the Turks. In the report, he described the Turkish presence as weak and nothing more than a defensive force, based only on a one-armed ship. In addition, the Turks depended on Basra to meet their needs because the citizens of Qatar disliked them and refused to associate with them. The report mentions that the Qataris could get rid of the Turkish presence by means of a mutiny (Saldanha 1904: 95).

The British Political Resident Campbell asked his government to authorize him to conclude a treaty with Qatar's sheikh on the basis of recognition of Qatar's independence. He promised the sheikh protection against any interference from any other country, in exchange for his responsibility to maintain security and order within Qatar and to resist piracy on the coasts. Campbell also proposed not to allow the Turks to extend their authority to any other place in Qatar except the Bidaa area, considering that Turkish control was not effective in ensuring peace at sea. Campbell suggested to take steps to obtain the approval of the Turkish government to withdraw its garrison from Bidaa, which was considered a source of problems. But the British Foreign Office asked to study the issue as a whole and to investigate the limits of force and authority of Sheikh Qassim Al-

Thani. The Indian government did not get involved, in order to avoid new problems with the Turks (Al-Mansour 1975:100-107).

According to Saldanha, Lord Curzon himself commented in a draft letter intended for the Gulf Resident in early 1901:

"We want 'to obtain a better hold,' but at the same time it is 'far from our wish to make any show of activity.'. We 'do not admit that the Porte is ineffective occupation;' but at the same time there is the uncomfortable and complicating fact of the presence of the Turkish garrison at Bidaa...".

Furthermore, Qassim was recognized as the leading Sheikh of Qatar who had both the authority and ability to control the Qatar Peninsula and to ensure British interests (Saldanha 1904: 48).

The competition between the Ottomans and the British over Qatar ended with the signing of the July 1913 treaty between both countries and the expulsion of the ships of the remaining Ottoman garrison from the coasts of Qatar in 1915, during World War I.

3.3.4 The Dilemma of External Recognition

The external recognition of Al Thani and Qatar is a dilemma. It is not easy to deal with the issue of Qatar's sovereignty without studying the external recognition of the British and Ottomans of Al Thani's sheikhdom. External recognition is one important factor for state sovereignty (Thomson 1995: 214-19). As we have seen, it is difficult to clarify Qatar's sovereignty during the 19th century until the 1916 treaty. Until then, the two principal resources for the recognition of Qatar by foreign powers were the peace treaty of 1868 with the British and the *Qa'immaqam* status with Ottomans.

3.3.4.1 Flexible Imperialism

In the second half of the 19th century, both the British and the Ottomans coincided in the Persian Gulf and Qatar, and both had some territorial control. Qatar, as we have seen, signed the 1868 peace treaty (not of great relevance for Britain), and an Ottoman *Qa'immaqam* status for Qassim Al-Thani (without great implication for Sheikh Qassim or for the British). Qatar was not under the conventional systems of British and Ottoman colonialism. The first was known in the Gulf through the "trucial" protectorate and the second through the "Ottoman administrative authority".

Qatar's autonomy was affected by both political powers, the Turkish and the British (Al-Mansour 1975). In the late 18th and 19th century, the Turkish rulers saw themselves as representatives of the Islamic world, which lead them to believe that Qatar, as a Muslim country, should be subordinate to the Turkish government. Also, the Turkish did not concern themselves with economic development in Qatar. These were factors that did not please the Qatari people. 'Aydarus questions the Ottoman authority over Qatar and Hasa, due to the reduced number of military forces and the lack of power to control the territory. This thesis relies on the study of three dimensions:

(1) Administration Organization. When Medhat Pasha came to power in Baghdad, he created administrative organizations to consolidate Ottoman influence: administrative divisions and employees, local councils, and judicial authorities. The *Wilaya* (province) of Basra governed Al-Ahsa, and Qatar was subsumed as part of Hasa (in the Najd). Al-Mutasarrif was the ruler who governed the Hasa region and who had the powers of a *Wali* in all matters. He was appointed by the higher *Bab Ali* of the Ottoman State. The Al-Mutasarrif combined civil and military power ('Aydarus 1992: 23-24).

(2) Justice Administration: As for the judiciary, it was headed by a *Qa'immaqam* appointed by the state. His work comprised matters of property, finance and control. All matters were owed to the official *Al-Mutasarrif*, and he was responsible for collecting state imports. Under the Ottoman authority, Qatar became a justice administration area ruled by a *Qa'immaqam* who was dependent on the governor of Ahsa. The justice affairs of Qatar was administratively distributed on Al-Bidaa, Al-Zubara, Al-Oudaydah, and Al Wakra. ('Aydarus 1992: 79-80). The Mutasarrif of Najd complained to the Ottoman higher administration in 1885 about the lack of loyalty of Sheikh Qassim despite being a *Qa'immaqam:*

"a loss of the state's authority in Qatar, pointing out that the judicial authorities in do not consult or refer to the government or court, but rather Shaykh Qasim's men take care of the affairs of the people in the marketplaces and discipline them in accordance with customary principles of the region" (Sapan 2001:135-6).

(3) Military Administration: The battalion, which was based in Doha, lead the military administration in Sanjak Al-Ahsa. We note that the Ottoman government has only positioned some garrisons in the Hofuf, Qatif and Qatar districts. The lack of natural resources and national income, in spite of heavy military expenditures for military forces for survival, led to their reduction (garrisons did not exceed a few dozen soldiers) ('Aydarus 1992: 67-8).

We find the expression 'flexible imperialism', coined by Agoston (2003) useful to refer to the situation in Qatar, which was different from conventional colonial systems.

The flexibility that characterized this system may be similar to the flexible capitalism of the 1970s. The alliance between the actors was the characteristic of this flexibility. “Condominium” was, for Agoston, the administrative Ottoman model in the periphery:

“A common feature of the frontier territories was the condominium, that is, the joint rule of the former power elite and the Ottoman authorities. While exhibiting significant differences over time and according to place, this sharing of authority for a shorter or longer period extended to areas such as taxation, public administration, and justice” (Agoston 2003: 23).

This quote explains the different powers of the Ottoman state over taxes, land census, law enforcement and the courts. Qatar, for its part, was framed by this peripheral model on the borders of the Ottoman Empire. The author concludes that:

“The Ottoman administration that was established in the frontier region... successfully fulfilled its main tasks: retention of the conquered territories and military support for renewed conquests. In each policy area, the pragmatism of the Ottomans permitted just enough flexibility to ensure the rule of the sultan, as well as the indispensable conditions of his rule, that is, the peace of his subjects and the normal working of the economy. If this was possible with the assistance of local institutions and in accordance with local legal customs, then the Ottoman government usually retained these elements and made no attempts to form the conquered territories in its own image” (Agoston 2003: 27).

For the British, the Ottoman presence is neither significant nor does it constitute real sovereignty over Qatar (Report Robinson). Because of the lack of a large administrative presence, the lack of ‘effectiveness’ by Ottoman garrisons, or the fact that a local ruler was confirmed in his role and he, according to British view, continued to act independently of Ottoman interests or authority (Saldanha 1904: 31-32). For Valenti (2011), it is obvious that although the British discarded the Ottoman Empire in Qatar and other Gulf emirates, they used similar administrative methods, and their views on what constituted sovereignty were based less on reasonable objectives and more on political interests. For Britain, it was better not to get into hostilities with the Ottomans so that they would not increase their military presence. The British preferred the status quo.

3.3.4.2 Al Thani “Playing Cards” for Surviving

The dependence of Qatar’s sheikhdom on foreign powers (Bahrain, British, Ottoman and Saudi) was a challenge for the Al Thani to achieve independence and survival. The sheikdoms resistance and ability to negotiate with these actors during different times led it to accumulate some external recognition and authority for the Al Thani.

Muhammad bin Thani deposes of Al Khalifa Bahrain by bringing the British closer with the 1868 agreement. Then, Qassim moves away from the British in 1871 hoisting the Ottoman flag over the palace (under the pressure of the presence of Methat Pasha during the Hasa Campaign). This strategy of playing cards to survive was also used with the Saudis and Abu Dhabi. The relationship with Arabia's neighbours was volatile and changed periodically from cooperation to conflict.

Qassim was described as a strong and smart man, and he knew how to play his cards with his opponents and rivals and to maintain his power and authority. Sheikh Qassim negotiated political contracts, first with the Saudi government, then with the Turkish government, and later, he conspired with the British government. Qassim welcomed Ottoman sovereignty, but he did not realize that this would turn into a burden for his authority and the country. When he understood this, he started to think about relying on Britain to get rid of the increasing intervention of the Ottomans in his affairs. Anscombe in his attempt to clarify the image of the Ottoman presence in Qatar since 1891 says:

"The Qataris as a proudly independent group, cajoled into reluctant service of Ottoman interests by a respected tribal leader, or as devoted subjects of the sultan- is difficult; probably neither version was completely true... It is nevertheless certain that Qasim, and Probably also Muhammad, saw the advantage of accepting Ottoman suzerainty in principle to strengthen Qatar against enemies or rivals in Bahrain, Abu Dhabi, and Najd. Qasim indeed won Ottoman recognition as the heir apparent to the sheikhdom. As had the Kuwaiti shaykhs, the Al Thani would even accept the formal appointment of a few officials by Istanbul, such as a judge, but any prolonged troop presence would make them fear for their independence of action (Anscombe 1997: 33).

To Turkish historian Rahman, the "flag episode" of 1871, during the Hasa Campaign was as a "severe blow to British prestige in the peninsula […] stop the encroachment by the tribes in the north-west of Qatar [...] and put the brake on the operation of the Anglo-Qatari 1868" (Rahman 2005: 94-96). Anscombe also places Al Thani within the rivalry between Bahrain and Qatar. The request for Ottoman aid, and therefore the flags, was a way of defending Al Thani's government from the threats of the Saudi conflict, as well as protecting itself from the threats of Bahrain, a country protected by the British. This author writes:

"The flags thus marked the important and most distant points of Al Thani territory, adding the weight of the sultan's state to their inviolability." Furthermore, Anscombe gives agency to local actors: "Qasim Al-Thani and his father used the Ottoman presence when it suited them, notably as a shield for defense and an excuse for non-cooperation with British demands" (Anscombe 1997: 32).

British recognition and support of Sheikh Qassim have played an important role in increasing the concentration of power in his hands. Anscombe describes the relationship between the imperial powers and the Arab sheikhdoms as “tribal politics”. The external forces penetrated Arabia by co-opting their tribal leaders and by legitimating them as their interlocutors (1997: 65-66). Such mechanisms, we believe, need not be characteristic of tribal politics, but of structures in which different actors compete for hegemony.

We agree, however, with Anscombe’s idea that the deep British’s deep penetration of the Gulf was due to the decadence of the Ottomans. The empire’s inadequate communications, scarce resources and maladministration undercut Ottoman policy and resulted in Istanbul’s failure to cement its position in the Gulf. The Ottoman experience in the Gulf during World War I mirrored the empire’s demise. With its positions in Kuwait, Hasa, Qatif and Qatar already lost, Istanbul was unable to prevent the British to conquer what was to become Iraq, although it was not easy as the British military *débâcle* at al-Kut demonstrated. With the demise of the Ottoman state, the emergence of a “British lake” in the Gulf was assured (Anscombe 1997).

As for Qatar’s status in 1913, the Ottoman country declared the concession of its rights over Qatar’s sovereignty and that the emirate should be governed by an independent sheikh of the Al-Thani, provided that the decision was inherited by his successors. For their part, the Ottomans had to promise not to aid Bahrain’s sheikh if he attempted to conquer Qatar. So, from 1913 onwards, Britain considered Qatar to be under its royal protection before the 1916 official treaty. The treaty was signed by Sheikh Abdullah Bin Qassim Al-Thani who ruled Qatar after the death of his father Sheikh Qassim in 1913.

3.4 Internal Conditions: Al Thani’s Authority and Socio-Political Organization

The economic and social structure that prevailed before the discovery of oil produced a socio-political composition of the Qatar community. At the top of the social ranking, there was a kind of alliance between tribal elders and a group of great merchants. As for the base of the pyramid, which represents the majority, consisting of three categories: workers, who work in hunting or agriculture; poor Bedouin; and middle class, workers in rural industries and small traders and owners of crafts and traditional.

3.4.1 *'Asabiyyah* and Social Organization

As we have seen, *Al-'asabiyyah* (kinship) played a major role in strengthening relations and social links among the Qatari population. In Qatar's society in the pre-oil era and from the economic point of view, the family was the primary production unit and had valuable economic resources. The tribe as the social and economic institution prevailing in the period before the discovery of oil, represented the common work against the division of labour. We must distinguish between two types of tribes: (1) camel-herding tribes and (2) graze-sheep tribes. The first, such a Bani Hajar and an-Naim, were related with nomadism. The second, Al-Bukuwarah, Al-Mhadnah and Al-Khlifat, were located in villages and coastal cities (Al-Jaber 2002: 278). Before the discovery of oil in Qatar, there have been tribes with urban and Bedouin lifestyles. The most important tribes with urban lifestyles were the Al-Hamidat, Al-Khalifat, as-Sadah, as-Saltah, as-Sudan, Al Ben Ali, Al-Aamamrah, Al Boaynayn, Al-Kabsah, Al-Kaaban, Al-Bakorah, Al-Musallam, Al-Modhahkah, Al-Momanaah, Dawasir, Al-Mahandah, Al-Mrikhat, and Maadhid including the Bani Tamim from which the ruling family descends. Meanwhile, tribes with Bedouin lifestyle were the Al-Hawajir, an-Naim, Al-Marrah and Al-Manasir (Al-kubaisi 2002:112).

Normally, the tribe's leader chose the place to stay, and then, the member of the tribes built their homes around it. After the death of the sheikh, they moved to another place in the limited cycle of their travels. Unlike the camel herders who travelled farther into the deep desert and over the Arabian Peninsula. They came to Qatar in fall and winter, while they spend the rest of the year in Hasa and Najd (Zahlan 1979: 16). These pastoral and seasonal activities were based on the individual property herding of animals (camels, goats, sheep), while pastures and water sources were right to use as common goods. This has contributed to some kind of equality system between all individuals. The sheikh is the head of the tribe and he is responsible for all its members and for their protection. The tribal council is composed of leaders of *afkhadh* (subfractions), *'acha'ir* (clans) and families. The council regulates and defines the relationships of the tribes of Qatar and Arabia.

The social composition of a tribe has three main circles: the first circle, is a small house or tent and the family that inhabits. Each family possessed its own herd. The second circle consists of several houses belonging to one grandfather and goes back to about five previous generations and so-called *"Fakhidh";* this circle is the axis of defensive activity of the tribe. The ownership of the wells is located in this circle. As individuals are equal in the family, the families in the *Fakhidh*'s circle are also equal. There are usually specific councils to this circle, which takes decisions according to the consensus of all families. This circle does not have a leader, except in the case of war. The third circle is formed by a mother tribe, with a number of *Afkhadhs* -subfractions- and constitutes the general framework of the tribe which members belong to. Thus, the tribe is the focus of political activity in which the sheikh or leader plays an important role. In this way, the tribe constitutes a social, political and economic unit in terms of sufficiency and relevance to other tribes (Barakat 1991: 68-72).

The desert has had a great impact on the internal organization of the tribe and on its relations with neighbouring tribes. In the framework of the tribal system, we find that the arrangements based on ranks and positions resemble a semi-stratified social class. The tribe for its nature is based on hierarchy and is affected by changes in patterns and social differentiation. The tribal system approved owning slaves who formed a distinct and separate social group. In the early 20th century, this group amounted to about 6.000 people. Also, craftsmen and artisans joined the pastoral community through intermarriage. It should also be underlined that there were also tribes that lost power and were forced to pay tribute to the most powerful (Al-Jaber 2002: 279).

The economic axis based on diving activity has been the main factor in dismantling the pastoral system and the transition from nomadic to sedentarism as well as the emergence of an urban community. This activity has attracted the Bedouin population, which has extended its control to the diving industry and trade (Al-Jaber 2002: 281).

The lineage and common genealogy (*nasab*) have played an important role in social ranks. Traders with a known tribal status rank higher and have greater influence than those who belong to unknown tribal origins. Also, religious doctrine has played a role in the ordinal classification in the community (Al-Jaber 2002: 282). Tribal leaders and the royal family occupied the highest social ranks as a result of the dominance of the pearl industry and trade (and possession of animal herds, land and capital). While tribal people exercise diving and fishing craft. Besides, other societies have practised handicraft, and those occupying lower social ranks, depended on the community (Al-Mansour 1975: 13).

3.4.2 Qabila and Political Organization

The Qatari political system was characterized by extreme centralization; all powers – executive, legislative and judiciary - were in the hands of the sheikh and his collaborators. The sheikh obtained his political strength and power as well as his large fortunes through the pearl trade. The sheikh exercised his authority usually through two types of councils: the first type is restricted to the ruling family and it is held in case there are problems within the family or in the selection of the sheikh. The second type of council is attended by members of the ruling family, plus tribal leaders, the country's notables and traders. The sheikh consulted with the councils about general matters relating to administrative and other affairs. Most of these councils had temporary status and therefore did not have a regular procedure for the exercise of its activities. Concerning the resolution of tribal differences, the sheikh oversaw the judiciary. However, for legal disputes, the sheikh delegated matters to the judges appointed by him. The sheikh usually appointed one of his sons or relatives or a clan loyal's leaders to his rule in the different villages. They obtained their resources mainly from the taxes that they imposed on the people (Al-Jaber 2002: 27).

A tribe's sheikh had a strong ascendancy over his tribe. The tribal community produced certain criteria for selecting the tribe's leader (who is often cited as being a wise, reasonable person, with good attitude, and who is brave, tactful or generous). In a tribal society, taking charge of power required courage in the face many risks and insecurity; it also demanded generosity, as well as wisdom and maturity in matters management (Lautah 1994: 6). Also, the ruler collected the tax (Al-Ghanim 1986: 108).

A tribe's sheikh may act as a mediator between disputing parties to reach a peaceful reconciliation. Regarding external affairs, the sheikh worked to prevent any aggression towards the tribe's property coming from other Qatari tribes (Al-kubaisi 2002: 113).

All the tribes can join together in case the Qatari territory is exposed to external aggression. Qatar faced a variety of tribal conflicts in the pre-oil era. A primary cause of conflict between tribes was disagreement over territorial boundaries and ownership of wells. Tribal divisions in Qatar at that time were dependent on the prevailing political situation among the rulers. Much of the disagreement among the sheikhs of Qatar occurred early in the development of their state. There was internal conflict among the Al-Thani in the context of their competition for power. Every sheikh believed that he and his sons deserved to be the ruler of Qatar. Because of these disagreements and conflicts between brothers and cousins of the sheikhs, every tribe supported one side or the other depending on tribal loyalty to their sheikhs or rulers. In many instances, two or more tribes aligned with each other against other tribes. The rulers of Qatar, the Al-Thani family, constituted their state through the support and confederation with many other Qatar tribes (Al-Mansour 1975).

3.4.3 Qassim Al Thani's Authority

Several factors have maintained the Al Thani family's authority and strengthened its position in the Qatari's power structure. At the internal level, the factors most important that stand out are: 1) *Al-Hasab* and *An-Nasab* (Kinship nobility and Genealogy), 2) capital and trade, 3) partnership with the merchants, 4) the alliance with tribes, and 5) leadership and personal attributes. At the external level, the Al Thani family achieved recognition from international and regional powers as the only interlocutor for Qatari affairs (see previous section 2.4).

1. Al Thani family's *Hasab wa-Nasab.* The Al Thani family descended from the Bani Tamim tribe, an old and famous Arab tribe originating in the late 17th century. The Al Thani immigrated in the early 16th from the centre of the Arabian Peninsula, from Najd, located in today's Saudi Arabia. The Al Thani had settled and remained in Qatar despite difficult socio-economic conditions and unstable financial resources, and other security concerns. The various tribes were engaged in continuous conflict; each tribe struggling for dominance over the others. Tribes, such as the Al-Khalifa, who governed the State of Bahrain, and the Al-Mussallem tribe confronted the Al Thani. But, the Al Thani were able to triumph over their enemies (Al-Mansour 1975). Since 1868, the Al Thani became the governors of Qatar, and the Sheikh Qassim Bin Thani was the founder of the new official Sheikdom, which he called: Qatar.

2. Trade and Capital. *"We are all from the highest to the lowest slaves of one master, Pearl"* (Mohamed bin Thani, ruler of Doha, Qatar, 1863, quoted by Carter 2005:187).

The ruling family as primary elite led by the sheikh became the main actor in the Qatari political context and to control the economy, despite the competition with secondary elites, mainly merchants. It has consolidated its position thanks to the pearl trade and commercial ties (Al-Rumaihi 1977: 7). Senior traders form part of the secondary elite circuit and their relationship with the Al Thani was driven by the ruling sheikh's interests and need to earn revenue from taxes and customs fees on pearling. The senior traders enjoyed great privileges and appeared as a lobby in public affairs, and sometimes played the role of facilitators between the sheikh and traders outside Qatar (Al-Jaber 2002: 283).

The historical sources indicate:

"The growing economic and military strength of various tribes which had been settling or seizing control of the Gulf coast, and would continue to do so, directly attracted by and supported by pearling revenues. Population movements were being undertaken with the express purpose of exploiting the pearl industry" (Carter 2005).

Most of the sheikhs who governed Qatar practised the pearl trade before they became major rulers. Sheikh Abdullah Bin Qassim was the main distributor of pearls in Qatar and his monopoly position in the pearl trade generated a conflict of interest with traders. Al-Manie and Al-Darwish were represented as agents to Sheikh Abdullah Bin Jasim and his son Hamad in the pearl trade (Al-Jaber 2002: 283).

According to Lorimer (1908: 1532), despite its small population of 27.000 (compared to Bahrain with 100.000), Qatar was, mainly at Doha, a major participant in pearl-fishing at the beginning of 20th century. Presumably, Qatar's location next to the densest pearl banks came into play once the pearling industry reached a scale such that local resource limitations could be overridden (Carter 2005).

3. Merchants. The merchants controlled the market of pearls in Qatar. Their alliance with the Al Thani gave them diving and trading privileges and allowed them to increase their wealth. They supported the rulers by giving loans to the government to help finance the state budget. All of these factors gave the pearl traders political and social power that allowed them to become part of the powerful elite.

The pearl traders owned hundreds of ships. They monopolized the pearl sales and contributed to the increase in the price of pearls in the market. These sales were not the only factors that increased the power of the *Nokhada.* The wealth and the business relationships with hundreds of workers were also a factor. *Nokhada* hired hundreds of workers in the pearl industry every year. Because of the scarcity of jobs in Qatar they resorted to Al- *Nokhada* and accepted jobs under any condition, which created exploitive relationships.

During the pre-oil era, the pattern of power in Qatar was based on conflict among powerful groups: the rulers of Qatar, pearl traders, and tribes represented by tribal sheikhs. But also, on collaboration. The rulers of Qatar relied on the support of different elite groups such as the traders and the tribal sheikhs. In addition to the Sheikh of Qatar, there were also the merchants, tribal leaders, and religious scholars, who exercised different levels of power in the community.

4. Alliances with tribes. The growing reliance on diving as essential economic activity led to increased dependence on stronger political power, concentrated in the person of the sheikh which sought to strengthen his political position. Alliances took many forms; the most prominent alliance was created through intermarriage. In addition, the sheikh granted the tribes grazing rights without pay. He also gave them vast tracts of land as a special gift. In other words, the alliance with tribal people consists of giving them money and exempting them from customs and taxes.

The alliances with the tribal sheikhs had significant roles in Qatari society during the pre-oil period. Qatar and the Arabian Peninsula experienced continuous conflicts between the different tribes and even among the clans of one tribe. The tribe's survival dependent on its power, alliances with other tribes and the ability to protect them. The sheikhs of Qatar asked for alliance and loyalty from the tribal sheikhs, which insured the loyalty of their followers or tribesmen. As a result, the Al Thani sheikhs reached a high status and were strong in power.

5. Leadership and personal attributes. The tribe members depended on a strong leadership that would prevent instability. Sheikh ruling must have the capacity to resolve problems inside the tribes and with other tribes, as well as the capacity to represent his tribe to any of the Arab Gulf skeikhdoms. Also, it played a role as a facilitator or mediator who negotiated with the tribes regarding any issue that could affect the people. Qassim remained the master of the country without any dispute.

Rahman describes Qassim's attributes:

"Sheikh Muhammad bin Thani's move from Fuwairat to Doha thus suggests his far sightedness, determination and spirit of adventure. It was in Doha That he laid the foundations of the al-Thani dynasty, which has produced a lineage of able and progressive rulers" (Rahman 2005: 82).

Despite his old age (he was probably close to eighty) he was still vigorous, and his fighting forces were well prepared, determined to stand up to the Ottomans. This they did, and fierce fighting ensued. For Sinan (1966: 95) and Zahlan (1979: 53), the Qataris proved to be courageous and determined in their struggle, undaunted by the obvious military superiority of their adversaries.

Sheikh Qassim wrote the following poem at the end of his life:

"I lifted injustice for no personal gain
But to see the weaker freed again" (Althani 2012: 15)

We can remember the words of Ibn Khaldun:

"When there is a ruler in the city, the submissiveness and obedience of (the Bedouins) is the result of the superiority of the ruler. When there is no ruler in the city, some political leadership and control by some of the inhabitants over the remainder must, of necessity, exist in it." (Khaldun 2012).

Chapter 4 Qatar Oil's Concession and APOC's Power and Authority

4.1 Introduction

The purpose of this chapter is to study the power and market authority of the Anglo-Persian Oil Company (APOC) over Qatar's oil from 1916 to 1953. We apply an analytical framework based on the power relations (Strange 1988; 1996), and the "market authority" (Hall & Biersteker 2002a) of private actors (Cutler *et al.* 1999; Hall & Biersteker 2002a). This is a perspective developed within the framework of the International Political Economy (IPE), and which facilitates the identification of power relations in the international oil industry. In this approach, we will focus on the study of the relations and interactions of power and authority between the main actors implicated on the oil resources of Qatar. Concretely, these actors include Qatar's ruler, Sheikh Abdullah Al Thani, the British government, APOC, the US Government, the Standard Oil Company of California (SOCAL) and Saudi Arabia.

With this work, I attempt to answer the question of *how did APOC exercise its authority over the Al Thani ruling elite and Qatari oil resources?* And *how did Qatar's oil concession emerge in 1935*? Also, we want to demonstrate the role of alliances and competition between the governments, the state actors (Britain and US) and their oil majors (APOC and SOCAL) to achieve the oil concession agreement of 1935. We consider that the proposed approach contributes to responding to the questions posed through an analytical framework based on the action of the actors, their resources and their relations within the power structure.

The chapter is divided into two parts. The first part consists of three sections. The first section offers background about the resource of oil and its literature in IPE. The second section presents the analytical framework which underpins the conceptions of private authority, power, and market authority. The third section describes the colonial concession system in an imperial context. Similarly, the second part also consists of three sections: The first section explains the behaviour of the British colonizers and their exertion of power in order to control Qatar and its oil resources; also, it identifies Abdullah Al Thani's motivations to sign the treaty of protection in 1916. The second section explains the APOC-Abdullah Al Thani oil negotiations and the intervention of SOCAL as well as the Saudi competition over the concession agreement. The third section identifies and examines APOC's market and moral authority over Qatar's oil; and analyses Qatar's oil concession agreement of 1935. The fourth and final section brings together the results and conclusions derived from the study of APOC's authority, and specifies the answers to the questions posed.

4.2 Oil as Business and Politics: IPE Approach

Our purpose in this first part is to present my analytical framework to explain Qatar's oil concession. The framework is has three main components: (1) the history and development of the oil industry, (2) the school of IPE and power relations (Strange 1988; 1996), (3) the concept of private authority as developed by (Hall & Biersteker 2002a; Cutler *et al.* 1999), and (4) colonialism literature (Painter 1995) and (Allen 2003).

4.2.1 Oil Background: Birth and Development Industry and Market

4.2.1.1 The Birth of Oil Industry

The history of the oil industry has been well documented by a number of authors and publications (Yergin 1991, 2011; Giddens 1938, 2013; Linde 1991, 2000; Mommer 2002; Mabro 2005, 2008; Sampson 1980; Chalabi 2010; and Parra 2013). Stevens (2005; 2013) provides a good overview of recent developments in international oil geopolitics, markets and oil prices. Generally, the history of the oil industry can be grouped into six historical periods.

Although bitumen had been collected in the Middle East from natural sources as early as 3000 B.C. and drilling technology had been used in China since the 4th century to find salt, the modern-day history of oil begins in 1859, when the first successful oil well was drilled in Titusville, in the State of Pennsylvania in the United States. At that time, crude oil, refined into kerosene, was used primarily for lighting purposes. By the turn of the century, the internal combustion engine and the nascent automotive industry contributed to a prolonged boom in oil demand (Yergin 1991: 6-7).

Table 1: Key Stages in the History of the Oil Industry

Period	Key Events
1860-1900	Global discoveries and industry growth; the U.S. as dominant producer and consumer
1901-1945	Production balance shifts to the Middle East; Western oil companies form a production consortium
1945-1970	Post imperial world and oligopoly of the Seven Sisters
1970-1986	Rise of OPEC; wave of asset nationalisations; oil price shocks and period of sustained high energy prices
1986-1999	Structural decline in prices; fall of communism and growing importance of liberal agenda
2000-2020	Strong demand growth exposes lack of previous investment; structural change in prices and bargaining power of producers
March 20, 2020-Present	Crash of the oil price: Barrel Texas -0$; COVID-19 and oil market crisis and instability

Sources: Van de Graaf *et al.* (2016) **and Financial Times**[22]

In the United States, the oil industry was first dominated by John D. Rockefeller's Standard Oil Company and later by 36 independent companies -including the predecessor firms of Exxon, Mobil, Chevron, ARCO and Amoco- which emerged from the anti-trust dissolution of Standard Oil in 1911 (Yergin 1991: 94). Outside the U.S., Russia and the Caspian Sea region were important early production areas. Before World War I, however, European companies such as Shell and Royal Dutch explored for oil around the world, often under the protection of their colonial home governments, and a growing number of petroleum province areas (Yergin 1991: 159). When substantial oil was found in the Middle East in the latter part of the 1930s, the International Oil Companies (IOCs) and their consortia controlled all oil production throughout the region, which was most prominently located on the Arabia peninsula, in Saudi Arabia, Qatar, Bahrain, the UAE and Kuwait.

4.2.1.1.1 Rockefeller and Oil in US

In this early stage of the industry, prominent names were James Townsend, banker and principal investor as well as Edwin L. Drake, who after Silliman's favourable report on oil properties, was sent to drill the earth in hope of finding more of it below the surface. The interest in this resource came from its flammable condition. George Bissell believed that it could be a substitute for coal oil and whale oil, which were then used for

[22]Financial Times, "US oil price back below zero after historic plunge". March 21, 2021
https://www.ft.com/content/26ea5ef9-0619-4e50-b605-58e36d3fc4d9

illumination, and for which there was a large expanding market with the development of cities. The preliminary study showed that the properties of "stone oil" were excellent for this purpose, and the Pennsylvania Rock Oil Company was formed to exploit the discovery. It was a small company with few funds, which was about to close due to viability problems. But a fortnight before doing so, in August 1859, the excavations in Titusville, Pennsylvania, were successful. In November 1860, there were 75 wells running at Oil Creek. The oil rush had begun. The new industry spread rapidly around the oil fields, thanks to the use of new techniques such as refining to obtain kerosene. The first wells had to be pumped by hand, and the first rising well did not appear until 1861 (Yergin 2011).

In the first months, competition and rivalry dominated the industry in the US. Both production and prices fluctuated dramatically: from about 450,000 barrels in 1860 to 3 million in 1862; from 10 US$ per barrel in January 1861 to 4 US$ at the end of 1862. The oil areas became a source of wealth where thousands of people marched in search of fortune, and where speculation reached unsuspected heights. The 1860s were years of tremendous development, in which the pioneers made immense fortunes almost as fast as they lost them. It was all chaotic, selling a little randomly (Yergin 1991: 14).

According to Bradley (1996), the ascended competition largely because of the problem of property rights when oil flows in three-dimensional space and therefore does not respect the boundaries of the land. Thus, the Capture Act was introduced to solve this property rights' problem and to encourage producers to produce from their own pools as quickly as possible before their neighbours exhausted the reserves. The consequence "was extreme price volatility, as the larger finds disrupted the markets and also caused serious damage to the field recovery factor. This intense rivalry was greatly exacerbated by the "robber barons corporations" in an incredibly corrupt political environment that allowed them to behave without restraint" (Stevens 2013).

In the early years of the industry, John David Rockefeller appeared. He was a mythical figure for the oil business and the tycoon of the Standard Oil Company. Working in the business since the age of 16, Rockefeller had set up a refinery with Maurice Clark in 1863. In February 1865, Rockefeller bought his partner's share and became the owner of the largest refinery among the thirty existing ones in Cleveland. Rockefeller was already a rich man at the time, thanks to his previous business dealings. The Civil War, with its need for supplies, made it even more so, which allowed it to build a second refinery. He quickly put all the profits and money he could get into the new business of oil. In 1866, he set up a company in New York to manage the distribution and export of his kerosene. In 1867, he became associated with Henry Flagler, who devised the transport system. Under utmost secrecy, it obtained substantial profits from the companies, which gave it a privileged position with respect to its competitors. In fact, he managed to get the transportation companies to pay them an amount each time someone other than them used them to transport oil (Yergin 2011: 21-2).

The crisis of the late 1860s due to overcapacity led them, David Rockefeller and Henry Flagler, to the idea of controlling the total kerosene production. To this end, together with three other men, they increased capital and founded Standard Oil on January 10, 1870. Thus, they began the secret purchase of refineries in the oil areas. Normally, the *modus operandi* and procedure they followed was to install a supposedly "independent" refinery and to reduce the prices of its products. This lead their competitors into ruin. Then they were secretly acquiring the others. With this way of working, by 1879, Standard Oil controlled 90% of the refining capacity in the United States (Yergin 2011: 26-7).

In the early 1880s, Standard Oil was officially organized as a trust to protect family interests in the event of death. Until then, it had been the owners of Standard Oil who owned the individual companies in their personal capacity. From then on, they began to integrate them into Standard Oil. One of the basic principles was to produce at the lowest cost, which put them at an advantage. The kerosene refined by Standard Oil illuminated much of the United States and began to spread around the world, due to the continued need to expand markets, arising from growing US production. He also entered the commercialization business, controlling around 80% of kerosene commercialization in the United States in the mid-1880s. And although direct production had initially been seen as an excessively speculative business, the company also entered it in the late 1880s, controlling 25% of US production in 1891 (Yergin 2011: 28-9).

Between 1873 and 1882, John David Rockefeller's Standard Oil Company progressively strengthened its market power and monopoly over the oil industry. He controlled almost all pipelines and refining infrastructures. By 1904, the Trust controlled over 85% of the throughput of US refineries. According to Yergin (2011: 92-93), this whole system was effectively destroyed in 1911 when the US Supreme Court, invoking the Sherman Anti-Trust Laws of 1904, broke up the Standard Oil Trust creating a large number of what were supposed to be competing companies. However, some stability was restored to crude supply with the introduction of pro-rationing by the federal government, operating at state level, which was intended to limit production to prevent field damage and to limit price volatility from oversupply (Stevens 2013: 14).

According to Penrose (1968), from the 1860s, American oil companies dominated the international oil market, exporting half of the production outside the United States. Kerosene accounted for 50% of total exports. And by the 1880s, oil products represented the fourth largest US export.

4.2.1.1.2 The Nobels, Rothschilds and Samuels and Oil in Europe

In Europe, the Nobel Brothers and a group of private Russian companies were the players in the oil industry, and the main competitors of Rockefeller at the international level. But oil markets were largely a localized regional territory. Thus, there was relatively little competition within these regional markets and many were effectively monopoly markets. However, oil consumption was low and dominated by the use of kerosene for lighting purposes, which had effectively pushed whale oil out of the primary energy mix (Stevens 2013: 14).

The oil boom took place in Baku, Russia. The Nobel brothers, Ludwig and Robert, played a fundamental role in the development of Russian oil resources. With business in the Russian Empire, in 1873 they founded the small oil industry of Baku and began their investments. In 1873, the area's production was around 600,000 barrels per year and a decade later, annual production amounted to 10.8 million barrels (Yergin 1991: 596). Ludwig and Robert Nobel's intervention changed the city. In the early 1880s, there were almost 200 refineries and Baku was known as "the black city". In 1876, the Nobels were the most important refiners in Baku and Russian oil production surpassed the American one for a period of time (Yergin 1991: 43).

The main problem was that there was a long distance between the producing and consuming areas. To this end, the Nobels invented the tankers that crossed the Caspian Sea, which were precursors of the oil tankers. At that time, in 1886, the Rothschilds also entered the Russian oil business. Russian oil was gradually gaining positions in the European market, and Standard Oil faced a medium-sized enemy for the first time. The industry's response to the new situation was to open subsidiaries. Standard Oil became a truly multinational company, partnering with the most important local distributors. For their part, both the Nobels and Rothschilds created distribution companies in the different areas, becoming integrated companies that were competing with Standard Oil's price level (Yergin 1991: 43-5).

In Europe, at the beginning of the 20th century, Rockefeller's great competitors on the oil market were the businessmen Samuel. The brothers Marcus and Samuel Samuel had a company that traded different products from East Asia. Taking advantage of their contacts with the trading houses of the different states, they decided to trade part of the Russian oil in that region. For this endeavour to work, it was necessary to do it with the utmost secrecy, as Standard Oil could ruin the business by using different pressure measures, such as lowering the prices of the area until making it economically unprofitable. And in 1892, the first oil tanker of the new company, named Shell, departed from the Suez Canal and with oil coming from the Rothschild fields, it was the first serious threat to Standard Oil's domination of the international oil market. After many difficulties, Shell, supported by the Eastern trading houses, gradually established itself as the only company capable of dealing with Standard Oil (Yergin 1991: 49-51; Sampson 1980: 67).

The English company Shell merged with the company Royal Dutch, which exploited the oil fields it owned in Sumatra in the Dutch Indies. The merger of the two companies is mainly due to, on the one hand, that Marcus Samuel wanted to have a political career in addition to being a businessman. This meant taking time off from Shell's business in order to focus on his political career. On the other hand, Deterding was a businessman (executive of Royal Dutch) and that oil was everything in life. It should be added that both companies had financial problems in their business, and both have competition with Standard Oil and need to defend themselves. These were some of the reasons for the cooperation between the two personalities and companies. When Marcus Samuel was mayor of London, he proposed to Henri Deterding, Managing Director of Royal Dutch, to continue competing with Standard Oil. It should be highlighted that Shell's tankers allowed it to compete advantageously in the Indian Ocean and the Mediterranean with Standard Oil and to become the second largest company in the international market. Because of this advantage, Deterding attached great importance to this cooperation and considered it viable. The result of this cooperation was the creation of the Asiatic Trading Company, which would jointly refine the production of both companies. Later, Deterding controlled Asiatic and Shell continued to have difficulties so that in 1906, Sir Marcus Samuel had to propose the merger of the two companies. Such was Deterding's firmness and Samuel's weakness that, despite the larger size of the English company, he eventually had to agree to the assets of the Dutch company being valued at 60% of the capital of the new company called Royal Dutch-Shell, leaving Shell in a minority position and Deterding in charge of the company. Thus, a multinational corporation at the level of Standard Oil was born in New Jersey. Deterding had an impressive work capacity, and he successfully led the company for the next few decades. The new group then entered the United States, and in 1911, began negotiations to acquire the entire Rothschild oil business in Russia (Yergin 1991: 104-111).

For Gerretson (1953:135-137), a Dutch historian and private secretary to Deterding, the Rothschilds and Royal Dutch strengthened their alliance for business development and expansion on the European market. In 1913, when expanding operations required a significant increase in capital, Royal Dutch entered the French market with its new holdings. The syndicate of underwriters was composed of the Banque de Paris et des Pays-Bas, Crédit Lyonnais, La Société Générale and Rothschild Frères.

With World War I, apart from being a commodity for trading, oil is converted in "commanding height" and resource for imperial powers. It was when international competition and rivalry were dominating the industry in the world and the structure of the oil market was starting its development and configuration.

4.2.1.2 The Development of Oil Market Structure

It is impossible to discuss the market structure and key players in oil and gas without an upfront acknowledgement of the pervasive phenomenon of state ownership, that is direct state control over part or all of a country's petroleum industry. For much of the analysis in this dissertation, the ownership will thus represent the main line of demarcation between oil and gas companies: NOCs and IOCs. This distinction is historically rooted in the 1970s and remains customary in the literature and industry. NOCs are owned and controlled by governments, which usually implies at least 50% of both economic and interest and voting power (Linde 2000: 12).

We adopt Greer's (1984: 9) definition of market structure to explain the oil market structure. According to him, the market structure consists of "characteristics that are inherent to the product or relatively impervious to easy manipulation by policy"; this definition is broader and deeper that others' definition. For Cohen & Cyert (1976: 14) market structure means "the number and size of buyers and sellers in the market, the restrictions that may prevent firms and households from entering or leaving particular markets, and the availability of information about potential buyers and sellers". For Williamson (1979: 234-5), market structure is the "institutional framework". According to him, "each abstract description of a transaction, identify the most economical governance structure – where by governance structure I refer to the institutional framework within which the integrity of a transaction is decided. Markets and hierarchies are two of the main alternatives". The mutation of these aspects described by the authors, mark changes within the market structure and restrict the behaviour of actors (Caves 1980: 64).

The oil market structure is composed of vertical and horizontal structures. (A) Vertical structures. They refer to the five phases of the oil chain or cycle: (1) exploration, (2) production, (3) transportation, (4) refining and (5) distribution; also called upstream, downstream and midstream. (B) Horizontal structures. They refer to three basic aspects: (1) market concentration or collusion, (2) product differentiation and demand conditions, (3) and barriers to entry for new actors. According to Claes (2001: 36), the dimension of concentration in the horizontal structure is most the important characteristic of the market structure, which involves competition or monopoly.

4.2.1.2.1 Vertical Structure

According to the Petroleum Intelligence Weekly[23] (PIW 2007), the most important oil and gas companies in the world (PIW 2007) control the oil chain value. In terms of oil and gas production, only 10 out of the top companies are completely free of state ownership, and almost half of the entire sample is 100% state-owned.

In the global production of oil, the top 3 companies account for 23% of production, and the top 10 companies account for 43%. This market structure, together with the

[23] "Petroleum Intelligence Weekly" (PIW), Energy Intelligence (EI) Group, publishes since 1988 an annual supplement in December on the annual ranking of the world's 50 largest oil and gas companies "Top 50 ranking of the world's largest oil companies". EI Also publish another separate publication with an annual ranking of the Top 100 companies in the industry "Energy Intelligence Top 100: Global NOC & IOC Rankings".

presence of an influential supply cartel, creates very considerable rents and profits in the international oil price, which spills over into the gas market and pushes prices far above marginal costs. “Thus while supply and demand influence price determination, they do so in the context of a highly distorted market” (Stevens 2005). Large parts of the oil rent can also be explained by the vast differences in production cost within a globally traded market.

Turning to market concentration in the downstream, the top 3 companies in refining account for 16% of a global capacity, and the top 10 companies for 37%, a slightly more competitive picture than the upstream. For product sales, the top 3 companies account for 23% of global product sales, and the top 10 companies account for 49% (PIW 2007). Furthermore, since the refining and marketing of oil products is concentrated in a small number of developed countries, and many IOCs are focusing on selected markets within that sample, the downstream is generally of bigger concern to the respective competition authorities than the upstream; in many countries, two or three dominant downstream players have a market share of more than 20% each.

In the upstream, not only are the key producers outside the executive grasp of OECD competition authorities, purchasers in most cases still have a realistic choice between several crude suppliers in the world – contrary to the final customer at the petrol pump. The large consolidation mergers among IOCs during the 1990s therefore generated considerable regulatory attention in the downstream and regarding transport infrastructure, but less so in the upstream, where the global market shares of the private oil companies are relatively small (Weston 2002).

Oil and gas projects attract considerable economies of scale throughout the value chain. They are highly capital intensive, have long lead times and are inherently risky (Stevens 2005). In exploration and production particularly, large scale projects have better access to funding and investment as well as development risk can be better diversified. They also serve as long-term insurance to partners such as host governments. Due to the high financial and operational risks involved, oil and gas companies are usually partnering with each other in exploration and production projects, whilst still competing at a corporate level. Despite these frequent partnerships, technical expertise and project control are considered key in building a competitive advantage within the industry. Because of the investment amounts and tight environmental regulations, there are significant barriers to entry as well as to exit (Stevens 2005). Through the value chain, upstream gas in particular is closely linked to gas and electricity grids (gas-fired power plants and LNG), which are subject to natural monopolies. The production of oil and gas usually requires free and fair access to existing pipeline infrastructure in order to be transported away from the wellhead.

Vertical integration is a prominent feature of the oil and gas industry, although the details of integration have changed over time. According to Claes (2001: 44), the vertical structure is an important feature for the changes in market power among the market actors. It is also important for the development of new trading mechanisms and thus the market power of the producers. Vertical integration can take two forms (Stevens 2005). Financial vertical integration occurs when subsequent stages of the value chain are owned by one holding company, which controls their cash flows. Operational vertical integration occurs when there is a physical exchange between those different stages of the value chain, i.e., when crude and products move in between them. While financial vertical integration is a prerequisite for operational vertical integration, the reverse is not true, intermediate markets can substitute for operational vertical integration.

Before the nationalization in the 1970s, IOCs used to be both financially and operationally integrated. According to Bindemann (1999), key motivations for such integration were to secure sources of supply, to secure off-take markets, to create barriers of entry, to circumvent taxes, to eliminate the profit margins of intermediaries or to practise price discrimination. Following the nationalisation of Middle East oil properties, IOCs retained integration by ownership but started to move away from operational integration to the increased use if intermediate markets, which became more transparent, liquid and reliable. Internal transactions were increasingly conducted at arm’s length, giving individual divisions more autonomy. Furthermore, almost all IOCs established dedicated oil trading divisions (Grant & Cibin 1996). The increased sophistication and liquidity of oil markets enabled further disintegration, reduced barriers to entry and allowed a new set of entrants (such as dedicated refiners and retailers, in the latter case particularly supermarkets) into the industry (Davies 1999).

4.2.1.2.2 Horizontal Structure

In the horizontal structure there are three basic aspects that stand out, we refer to: (1) market concentration or collusion, (2) product differentiation and demand conditions, (3) and barriers to entry for new actors.

The horizontal structure of the market effects the market power between the players, intensifying competitive pressure on the producer or consumer side. In addition, this structure requires elasticity, and the number of producers also has a direct effect on the possibility and success of cooperation between oil producers (Claes 2001: 45).

Market power is the basic concept developed to understand the influence of other actors' behaviour on the oil producers' freedom of action on the international oil market. Market power is defined as "the ability of a single, or group of buyer(s) or seller(s) to influence the price of the product or service in which it is trading. A perfectly competitive market in equilibrium, ensures the complete absence of market power" (Pearce 1983: 274).

The market concentration is the basis for coherent action by a group of actors that leads to the realization of monopoly profits; barriers to entry secure this profit against outsiders; and high demand elasticity ensures that consumers will continue to buy the product although the price is increased due to the sellers' collecting monopoly profits (Claes 2001: 45). When a small number of companies occupies a dominant position, it points to a regionally oligopolistic market structure, where market power is one of the critical themes (Stevens 2005).

4.2.2 Power, Private Authority and Market

4.2.2.1 Private Authority

Weber (1922) and Giddens (1989) were among the scholars who have studied and explained the relationship between power and authority. According to Weber (1922), power is the probability of imposing orders through will, even in the face of any kind of difficulty or resistance, and regardless of the degree of foundation of that probability. In this way, power is defined as the possibility of achieving compliance by others, orienting their behaviour through impositions that can become arbitrary. On the contrary, authority is related to the concept of legitimacy: what is required is accepted by the other. This component of legitimacy is fundamental to the idea of authority. In fact, it is the main element that distinguishes it from the notion of power, which is more general. Power can be exercised by resorting to force or violence; authority, in contrast, depends on the acceptance, by subordinates, of the right of their superiors to give them orders or instructions (Giddens 1989).

There is a particular relationship between power and authority. Authority implies having power, but having power does not always mean having authority. Authority, being legitimate, implies the capacity to exercise it and moreover, the need to justify its exercise. In general terms, authority is understood as a special case of power, since power is considered a broader concept than authority. It follows that all authority is a source of power and therefore, that all authority must be related to an actor. However, as power can be manifested in many ways, and not all manifestations of power imply authority, not all actors with power can be considered authorities (Ibáñez 2005: 93).

Strange (1996) addressed the reduction of the dominance of state authority during the second half of the 20th century in the context of international political economy. Thus, what were previously exclusive areas of state authority had become shared spaces with other sources of authority, especially with private actors. She explains how states have lost the power to control markets because governments have been ceding spaces of authority to private actors, who, in turn, have gradually been making decisions and generating their own frameworks of cooperation to take on some basic responsibilities that were not assumed by anyone. The states themselves have allowed private authorities to take over spaces of authority. They have favoured and encouraged the processes of transnationalization of production and the integration of global commercial and financial markets, thereby reinforcing the intensity and extent of globalisation (Strange & Henley 1991).

Following the analysis of Strange (….), the retreat of the state and its effect on the reduction of its authority brought about transformations that directly influenced the power structure of world politics. In this process of retreat of the state from world politics, three tendencies are noted: (1) The shift of power vertically, from weak states to stronger states, with a global or regional capacity that goes beyond their borders. (2) The shift of power horizontally, from states to markets and therefore from state authorities to non-state authorities, whose power comes from their market shares. (3) The evaporation of power, to the extent that no one - neither states nor other actors - exercises it (Strange 1996).

Strange's analysis and explanation of non-state authority in world politics was later improved by other authors such Cutler (1997) and Cutler, Haufler and Porter (Cutler *et al.* 1999). According to Cutler *et al.* (1999) companies adopt spaces of authority in the governance of different spheres of global markets, through different strategies, especially through strategic alliances between companies with market objectives. Their analysis is based on the study of the spheres where companies have developed forms of self-regulation to govern economic activities, beyond the power of nation-states, especially in e-commerce, financial markets, telecommunications or intellectual property rights

According to Cutler, Haufler and Porter (1999), there are three fundamental arguments that explain the emergence of private authority in the global political economy. First, the arguments based on the efficiency of private authorities, beyond public authorities, are presented. This is a rational argument to explain how efficiency implies that states should cede their authority. Second, power-based arguments are presented in the previous section. From this actor-centred perspective, private authority often arises as a consequence of the dominance that some firm or group of firms exercises over certain markets or sectorial areas. Third, historical arguments are made, according to which the emergence of private authority is related to far-reaching historical changes in the International Political Economy and the expansion of capitalist market forces. These three arguments highlight the structural nature of the emergence of authority. Consequently, private authority emerges both in the interaction between firms themselves and in the interaction between firms and the state.

The definition of private authority is based on two premises according to Cutler, Haufler and Porter (1999: 5): (1) authority exists when an individual or an organization has the power to make decisions on specific issues or areas, and this authority is legitimized by the consent of the other actors. (2) This authority in international politics does not have to be associated with a government institution; in fact, it has been associated with private actors such as companies. This authority is exercised in the field of international economic policy when private companies and entities act as regulators and take decisions on the regulation of specific areas of transnational markets.

Based on the above explanation of the notion of private authority, it seems that this concept is useful for understanding the impact of political activism (i.e. corporate social responsibility) by business elites in global markets. The political, regulatory and market authority of companies is granted to them on the one hand, by the fact that they have become experts in specific issues related to markets, far beyond the knowledge that government technicians have. In the following section, We will address market authority and moral authority developed by Hall & Biersteker (2002b).

4.2.2.2 Market Authority

Market authority of private actors stems from two dominant sources: "institutional market authority" and "normative market authority" (Hall & Biersteker 2002b). (1) "Institutional market authority" means "the capacity to successfully establish manufacturing, productive, regulatory, and reporting standards that become recognized by others" and that are subsequently supported and obeyed to by others (Hall 2005: 68). (2) "Normative market authority" means "the increasing acceptance by people, particularly in advanced industries countries, of market based decision- making over politically based decision-making, often both on efficiency and normative grounds" (Hall 2005: 68).

Thus, the forms of market authority are best configured on the basis of the analysis of private authority, as companies adopt strategies of inter-company cooperation to exercise authority and ensure favourable conditions in world markets. At this juncture of collective political interests, business elites cooperate with each other to ensure a certain order in competitive market relations. Therefore, the role played by private authorities allows companies to set themselves up as regulators, from which binding rules are derived for the actors involved in the markets. According to this authority, the type of rules used by companies take the form of *soft law*. These are regulations that include statements of principle, guidelines, agreements, codes of conduct and declarations that move in a grey area halfway between law and policy and that operate on the basis of mutual trust and reciprocity (Cutler *et al.* 1999: 367).

These authors Cutler *et al.* (1999) distinguish six forms of inter-company cooperation, in order of highest to lowest institutionalization: (1) informal sectoral rules and practices; (2) service coordination or consulting firms, insurance companies and management consultants; (3) production alliances with networks of subcontracting and coordination of complementary activities, such as strategic partnerships, joint ventures and contracting and subcontracting networks; (4) cartels; (5) cooperative business associations and, finally, (6) private schemes or complex sets of formal and informal institutions that constitute a source of governance.

In addition, different ways can be identified in which private authorities serve to ensure or reinforce compliance with agreements and commitments made in the market authority framework: (1) informal agreements established between companies, with a continuous application that ensures their viability in the future (e.g., the know-how-based cross-trading oligopolies that are characteristic of the information and communication technology sectors); (2) private organizations with a certain degree of autonomy and perhaps legal personality, distinct from the firms that have created them and that submit to their authority, such as national or international business associations that set technical standards for products in a given sector; (3) the presence of the state, which reinforces compliance with agreements and encourages the emergence of other institutional arrangements on which private authority is based (Cutler *et al.* 1999). In section 3.3, we will address one of these forms of forced cooperation: "the oil concession" by Sheikhs of the Al Thani family with Western companies (APOC, SOCAL) and under the protection of colonial powers (GB, US) during the 19th century.

4.2.2.3 Moral Authority

Moral authority can be found in three parts, in the forms of international authority exercised by private actors (Hall & Biersteker 2002b). The first one is termed the authority of "authorship", which is the capacity to provide expertise. The second one is called the authority of the "referee", where non-state actors such as NGOs engage in "eco-labelling" and certify that products were produced in environmentally friendly or sustainable fashion. These non-state actors, by virtue of their claim, are neutral or non-self-interested actors. The third form of moral authority is "normative" authority, involving the claim of the actor to represent a socially progressive or perhaps a morally transcendent position.

In the oil and gas sector, finance and technology and know-how (expertise) are the main sources of power and authority for oil companies to demonstrate and impose their moral authority and therefore, to obtain the corresponding oil concessions. These resources are a major asset and the competitive advantage of oil companies *vis-à-vis* governments. In most cases, state governments lack these resources. and thus, we consider that the process of obtaining the oil concession ultimately authorizes private authority and this confirms the argument of Cutler, Haufler and Porter, who explain that “private authority” exists when private actors have the capacity to use their resources to exercise power legitimately (Cutler *et al.* 1999).

After the discovery of oil in Qatar, due to the lack of capacities and capabilities of the Sheikhdom of Qatar, it can be clearly seen that the Al Thani sheiks were very dependent on the expertise and resources of the oil and gas companies to develop their oil industry until the consolidation of the state in the 1990s. We agree with Stephen Kobrin’s suggestion that states should only allow private authority to emerge when there are benefits and efficiencies to be gained (Kobrin 2002).

4.2.3 Colonial Concession System

4.2.3.1 Colonialism

Colonialism in the Persian Gulf and Qatar was addressed in the second and third chapter, where we explained British imperial expansion overseas. In this section, we will highlight the relationship of the colonial framework to oil concession agreements and situate the issue in the colonial literature on the Gulf and the MENA region. According to Giddens (2013: 36), “the history of oil is the history of imperialism, in one guise or another”.

In order to deal with the concession system in the Persian Gulf, it is necessary to discuss the colonial framework, with the objective of highlighting the difference with other concession system cases such as Venezuela, Indonesia and Libya. The oil concessions in the latter three countries were obtained under a general mining law. While in the Persian Gulf, including Qatar, concessions were granted by the sheikh or government, under the umbrella of British imperialism, which meant in practice the power of the colonial authority in imposing its rules (Issawi 1982: 194).

The influence of imperialism does not end when formal rule by the colonial power ends with both colonial hierarchies and knowledge persisting after independence (Said 1979). Mitchell (2002) links politics and expertise in the process of Egyptian economic formation. He approaches postcolonialism as “forms of critical practice that address significance of colonialism in the formation and practice of social theory” (Mitchell 2002: 7). In his case study on Egypt, he underlines the authority and influence of private actors and experts in the modernization of the country in civil engineering, accounting, administration, political science and economics. This shows the great influence of colonialism and the experts they have in the exercise of power and authority. By analogy, the development of the oil industry and the formation of Qatar fits perfectly into this colonial framework led by British imperialism in the Middle East.

Therefore, to study the Qatar oil concession and to deeply understand the relatios of power and authority, it is necessary to incorporate the literature of colonialism into our theoretical framework and analysis. And this literature would help to better understand public/private power and authority in relation to the discipline of political geography and the concept of colonialism and expertise. Especially considering that in this colonial period in the Persian Gulf region, the Western-based APOC (BP actually), Shell and Royal Dutch, SOCAL and other companies were protected in their actions to explore and search for oil in the Persian Gulf and around the world. Since the governments of these countries had a great interest in commodities.

4.2.3.2 Concession System

The concession system has been explained by several authors (Parra 2013; Mommer 2002; Seymour 1980; and Smith 1991). All of them agree in one way or another on the main features of this system of concessions, which can be summarized in 6 features according to Seymour (1980: 2-3):

(1) Area: The areas of the concessions were generally extremely large, covering in many cases the entire territories of the countries concerned.

(2) Duration**.** The agreements were of an extremely long duration, stretching up to and beyond the end of the century.

(3) Price: The determination of f.o.b. prices for crude oil - both the prices posted for tax purposes and the prices at which the oil was actually sold to affiliates or third parties - was entirely the responsibility of the concessionaire companies.

(4) Production Levels: Subject to certain minimum output levels stipulated in some agreements (often in the form of non-binding "best endeavour" commitments). The

companies were also free to determine oil production and export levels as well as investment programmes for exploration and development.

(5) Payments to Governments: Payments to governments in the form of royalties or taxes were set at given rates for the entire duration of the agreements. In other words, these could not be altered during the span of the agreements without the consent of the concessionaires.

(6) Arbitration: The agreements provided for the settlement of disputes by means of international arbitration, rather than through the national courts of the host country.

4.3 Qatar's Oil Concession and APOC's Authority and Power

In this second part of the work, we explain the behaviour of the British colonizers and their power to control Qatar and its oil resources. We also identify Sheikh ruler Abdellah's motivations for the treaty of protection in 1916. In the following, we examine APOC's market and moral authority over Qatar's oil and we analyse Qatar's oil agreement concession of 1935. And finally, I present the evolution of the implementation of the agreement and the development of the Qatari oil industry.

4.3.1 Oil vs. Colonial Protection: British Power and Authority

4.3.1.1 British Colonialism and Persian Gulf Oil

Britain was the major colonial imperial power in the Persian Gulf from 1820 to 1970. Strategic and economic interests were the main motivations for British expansion in the region (Onley 2005). Crystal (1990) argued that protecting strategic interests meant protecting the seas for maritime trade and hence, both factors hold an equal important value to the dominant position of the British in the Persian Gulf and the Middle East. In addition, the discovery of oil and other factors had contributed to the rise in importance of the Persian Gulf and its oil resources in the international arena and furthered the competition of states and companies over this valuable resource of power. According to Giddens (2013: 36), the history of oil is the history of power in its political, economic and military dimensions. Oil, as resource, provided to permit the projection of power and served a target during wartime.

4.3.1.1.1 World War I

In July 1913, as Europe was already sliding towards war, the First Lord of the British Admiralty, a young Winston Churchill, set out the importance of oil to the nation: "If we cannot get oil, we cannot get corn, we cannot get cotton and we cannot get a thousand and one commodities necessary for the preservation of the economic energies of Great Britain"[24]. Churchill considered security and diversity of oil supply to be of utmost importance – to achieve them the state could enter into long-term supply contracts as a temporary measure, but ultimately, "the Admiralty should become the independent owner and producer of its own supplies of liquid fuel"[25].

In 1914, after the British Parliament voted to become a part owner of APOC, the British government injected £2.2 million into APOC, thus raising its shares in the company to 52.5% and therefore largely acquiring control over APOC. This shows the relevance and priority of access to the oil resources in Britain's national energy security. From here and in this way, the expansion of informal free trade imperialism began the accelerated integration of the Persian Gulf into the global market.

World War I, which broke out in 1914, had made clear the strategic importance of oil to fuel the machines of war. In other words, the needs of war demanded technological advances, many of which were directly by the conversion to oil. After the victory, British Lord Curzon recognized the big importance of oil to the allied war power and declared that "the Allied cause had floated to victory upon a wave of oil" (Yergin 1991: 183). This statement was made during a dinner hosted by the British government for the Inter-Allied Petroleum Conference at Lancaster House in London.

Most oil historians and writers state that before World War I, European companies such as Shell and Royal Dutch explored for oil around the world, often under the protection of their colonial home governments. Many governments around the world deemed energy "too important to be left to the market" (Robinson 1993: 57).

4.3.1.1.2 Sykes-Picot Agreement

[24] Statement to Parliament on 17 July 1913, as quoted in (Yergin 1991: 144)
[25] Ibid.

The Sykes-Picot Agreement[26] was one of the consequences of the World War I. The colonial powers focused on the gains that could be made and interests that needed to be protected. This fact was confirmed by the aftermath of the Treaty of Versailles and the creation of the League of Nations, which gave Britain and France very significant mandate powers over the oil-producing regions of the Middle East. The period post-World War I gave rise to major powers in the internal politics of the Middle East. The European powers Britain and France and also Russia exercised great influence on the internal affairs of Middle Eastern countries, where oil had become the main issue of competition there. For these reasons, Gulf politics in the post-war era once more became the arena of open interaction between different imperial power forces.

European colonialism in the Middle East was led by the British, the French and the Russians. Their actions and activities were framed in the logic of imperial expansionism, with a long process of territorial colonization. British hegemony was in a powerful position *vis-a-vis* the French and the Russians to achieves its ambitions to control oil resources in the region. Thus, the fierce competition between the three imperialists was not only motivated by the political influence in the region but also by the natural resources available in the area. The final aim of these governments (and increasingly the US) was to secure concessions for their oil companies (Keating 2005). As a result of these interactions was the creation of the major concessions that dominated the international industry until the early 1970s. The ultimate winners were reflected in the nationalities of the majors – US, Britain and France. In the next section we explain the case of British colonial protection of Qatar.

4.3.1.2 British Authority and The Protection Treaty of 1916

4.3.1.2.1 British's Power and Authority in Qatar

The British definitively imposed their authority in Qatar after their victory in the First World War and thanks to their relational power towards the Allies, and their competitive advantage in the Sykes-Picot agreement. This led them to accelerate the end of the Ottoman presence in Qatar and to stop Saudi Arabia and Abu Dhabi from interfering in Qatari affairs.

In the second chapter of this thesis, we have concluded that, historically, the early rise of Qatar was mainly formed by various forms of imperialism and occupation, first

[26] The architects of the agreement are the British Mark Sykes and the French François Georges-Picot. In 1915, both had been engaged in a secret mission to divide up the vast Ottoman Empire into British-French spheres influence.

the Ottoman Empire and then the British Empire. Consequently, the country's early history is full of interactions between the major regional (Saudi Arabia, Abu Dhabi and Bahrain) and world powers (Great Britain and the Ottoman Empire). These interactions resulted in particular from competing interests in different areas of Qatar. They consisted of interactions of conflict and cooperation between the above actors which had an enormous influence on Qatar's development as a country. Although oil played a major role in almost every aspect of the country during the 19th century, those interactions in the country were not, however, due to the search for oil that was later discovered.

After the expulsion of the Ottoman garrisons (military) ship from the Qatari coast, the British were concerned with the possible penetration and presence of the Saudis in Qatar at the Coast of Truth. A British Political Resident had expressed his concerns about the effects of these Saudi manoeuvres on Qatar: "I have not a doubt that Bin Saud could eat up Qatar in a week and I am rather afraid that he may do so"[27]. This Saudi threat was always present in the political life of sheikh ruler Qassim, but it became more important after the withdrawal of the Ottomans. To control Saudi influence and prevent its penetration around them, the British signed the *Darian* Treaty with the Wahhabi sheikhdom in 1915 with the aim to reduce their expansion in the region.

In 1915, after the expulsion of Ottomans and the signature of the treaty with the Saudis, the British began negotiations with Abdullah Bin Qasim Al Thani to sign a treaty of protection. The Political Resident in the Gulf region was figure who represented the British Government for the negotiations. This figure had great authority at the level of the Gulf and had great influence on the decision-making of the foreign ministry.

Percy Cox (1864–1937) was Political Resident in the Persian Gulf from 1904 to 1913). He later served as foreign secretary of the Government of India (1913–14), as chief political officer of the Indian Expeditionary Force in Mesopotamia during the World War I, and as acting British minister to Persia (1918–20). His mission to Iraq (1920-23) under the command of Iraq's High Commissioner for the founding of the Iraqi state was his greatest achievement in British memory. Because of his transfer to Baghdad, at the request of the British government, was during the outbreak of popular revolts in Iraq during 1920, due to the failure of British colonial policy there. According to Monroe, Sir

[27] 'File No: E.7. Qatar & Anglo-Turkish Convention of 1913', British Library: India Office Records and Private Papers, IOR/R/15/2/30, in *Qatar Digital Library* <https://www.qdl.qa/node/348> [accessed 23 January 2020]

Percy Cox “possessed of enough Asian experience to outshine even Curzon, [he] was able to force London to take decisions, however unpalatable”(Monroe 1981: 67).

Cox’s experience in the area and his relations with the Gulf sheikhs led the British government to put him in charge of negotiations with the sheikhdoms of the Gulf. And, it was he who negotiated and concluded the Protection Treaty with Sheikh Abdullah. It should be noted that on the entire Arabian Coast there were only one Political Resident and three Agents living there permanently, with the six sloops that made up the Persian Gulf Division cruising nearby. These colonial authorities had control over the area, and served the strategical, political, and commercial interests of Britain (Zahlan 1979: 67-8).

The negotiations led by Percy Cox were hard and long, through face-to-face meetings, telegrams, correspondences and other means. The Political Resident repeatedly tried to convince the sheikh of signing the treaty. And in the face of the sheikh's reticence, Cox had to gradually give in many of the Sheikh of Qatar’s demands and requests. Finally, on November 3, 1916, these two personalities signed the agreement of protection.

The movements of the British Foreign Office to sign the agreement with Qatar highlights their ambitions to expand their Empire and block any foreign challenges:

“I, Sheikh Abdullah, further undertake that I will not have relations nor correspond with, nor receive the Agent of, any other Power without the consent of the High British Government; neither will I, without such consent, cede, to any other Power or its subjects, land either on lease, sale transfer, gift, or in any other way whatsoever” (Article IV of Treaty of 1916) [28].

Article IV reflects this position, and the government did not want any power to take Qatar away from them, after the long process to occupy it. This type of articles of the agreement of 1916 was a standard practice by the British towards the Gulf sheikhdoms at the time. The agreement was part of the imperialist policy of British colonialism. It was a legal instrument to control the Qatari territory.

The agreement integrates Qatar into the circle of treaties signed by the sheikhdoms of the Persian Gulf in the 19th century. The agreement was ratified by Helmsford on March 3, 1918, and contains 11 articles, the first article specified Sheikh Abdullah's

[28] File 2182/1913 Pt 3 'Persian Gulf Katr Treaty' [15r] (38/254), British Library: India Office Records and Private Papers, IOR/L/PS/10/386, in *Qatar Digital Library* <https://www.qdl.qa/archive/81055/vdc_100034219107.0x000027> [accessed 23 January 2020]

commitment to peace with the Arab sheikhs of Abu Dhabi, Dubai, Shargah, Ajman, Ras al-Khaima and Umm Al-Qawain and the cooperation for the suppression of the slave-trade and piracy as well as the maintenance of the maritime peace. The British government is committed to the protection and defence of Qatar from any attacks by sea and land, and to protect their vassals and subjects shall receive all the immunities, privileges and advantages that are conferred to the friendly sheikhs (Articles II, X and XI). The sheikh pledged to ban the import and sale of arms on the condition that the British government would provide him with the arms necessary to maintain peace and stability in the country (Article III).

Also, the sheikh consented not to cede, sell, lease or mortgage any of his territory for any activities or services without British consent:

"I also declare that, without the consent of the High British Government, I will not grant pearl-fishery concessions, or any other monopolies, concessions, or cable landing rights, to anyone whomsoever" (Article V of Treaty) [29].

In order not to lose his powers and control the situation in Qatar, Abdullah forced the British to render inoperative Articles VII, VIII and IX relating to: allowing residence of a Political Agent (Article VIII), British post and telegraph offices (Article IX), and protection of British residents (Article VII). This opposition to the application of these articles was accepted and considered as temporary concessions by the British. During the oil negotiations between 1925-1935, these non-operational items will be the key to awarding oil concessions to the British. In addition, Abdullah Bin Qasim was recognized as the independent ruler of Qatar, for which he was granted the title of CIE (Companion of the Most Eminent Order of the Indian Empire) and a seven-gun salute in 1919. In conclusion, the treaty "was, in fact, a combination of every sort of restrictive treaty concluded by Britain in the Gulf over the previous century and placed Qatar firmly within the British orbit" (Zahlan 1979: 60-1).

4.3.1.2.2 Abdallah Seeking Recognition and Protection from Saudi Interference

Abdullah, for his part, was also interested in the agreement with the British to be protected from Saudi interference and to have his authority over Qatar recognized in addition to other personal motivations that we will discuss in this section.

---

[29] File 2182/1913 Pt 3 'Persian Gulf Katr Treaty' [15r] (38/254), British Library: India Office Records and Private Papers, IOR/L/PS/10/386, in *Qatar Digital Library* <https://www.qdl.qa/archive/81055/vdc_100034219107.0x000027> [accessed 23 January 2020]

The Saudis were the main threat to Qatar. In May 1913, the Saudis were able to capture Al-Hasa and subject it to their rule . They also tried to expand their influence on the peninsula and to establish relations with the different actors and local and foreign authorities. When the British were informed of these movements and Wahhabi[30] interference, they warned Ibn Saud through the Political Resident not to interfere with the sheikhdoms under British authority (Zahlan 1979: 59).

As a consequence, on December 26, 1915, the Congress of Aqir was held between the British and Ibn Saud. During this event, the British recognized Ibn Saud as independent governor over Nejd, Al-Hasa, Qatif, and Jabail and their dependencies and they also recognized his successors in government. In this treaty with Britain, Ibn Saud officially committed to refraining from interfering in the affairs of the Gulf sheikhdoms:

"Bin Saud Undertakes, as his father did before him, to refrain from all aggression on, or interference with the territories of Kuwait, Bahrain, and of the Sheikhs of Qatar and the Oman Coast, who under the protection of the British Government, and who have treaty relations with the said Government; and the limits of their territories shall be hereafter determined"[31].

Despite Ibn Saud's commitment to non-interference, Abdullah was concerned about Saudi's attempts to dominate Qatar and to place it under his protection. This would lead him to strengthen his relations with the British in order to achieve the protection treaty of 1916 and to consolidate his authority and leadership over the country. What demonstrates this continuing concern of the Sheikh of Qatar was the meeting he had at his request with British Political Resident Trevor in Doha. In this meeting in 1921, four main issues were discussed at the initiative of Abdullah. First, the Qatar ruler was seeking clarification of the guarantees of protection and the forms of security offered by the British in case of being attacked by the Saudi neighbours. Second, due to his delicate financial situation, caused in large part by the lack of income from customs, the sheikh requested a loan from the Political Resident. Third, he wanted a couple of small guns. Fourth and finally, he asked the British government to formally recognise his son Hamad as his heir, because he needed a powerful tool with which to fight his enemies[32].The British took note of the neighbour's interference and ordered Ibn Saud's leaders, a country

---

[30] Wahhabi movement was surged from 1871, a base the alliance between Ibn Saud (Sheikh ruler) and Muhammad Abd Al- Wahhab (Religious Scholar).

[31] "Treaty between the British Government and Ruler of Nejd, El Hassa, Qatif, ect., 1915," in: Penelope Tuson (ed.), *Records of Qatar, Primary Documents, 1820 - 1960*, vol. 4, 1896 - 1916 (London: Archive Edition, 1991), p. 526.

[32] British Library: India Office Records and Private Papers, IOR/L/PS/11/222: P.5027/22: Trevor to D de S. Bray, 10 November 1922 (Quotation from: Zahlan 1979: 63).

under his protection and with the agreement of the British government, to respect the 1915 agreement and to stop interfering in the internal affairs of Qatar.

The ruler of Qatar wanted to reassert his authority and power and therefore needed to know from the Political Agent to what extent he could rely on British support. In fact, Sheikh Abdullah had been very reluctant to become governor of Doha following Ahmad's death in 190. At first, he had refused the position, saying he was much more interested in continuing his work as a pearl merchant, but upon his father's insistence, he finally assumed the governorship (Zahlan 1979: 63).

4.3.2 APOC's Oil Negotiations and SOCAL's Intervention: Balance of Authority

In this section, we describe and analyse the oil's trilateral negotiations between the ruler of Qatar, APOC and the British government as well as SOCAL's intervention in the competition over the oil concessions. This process of negotiations happened within the framework of the interaction between the oil companies and their host government, which was involved on this process. Also, we will highlight, as important element, the role of these colonial states in the development of the oil concession negotiations.

We will discuss the negotiations, relations and activities between the different private and public actors mentioned above during the process of the oil concession negotiations. Analysing the relations between the ruler of Qatar, individuals representing the oil company and the government at the time of negotiations, will again help us to better understand how these actors gain and practice authority, power and control through the oil concession agreement. The discussion draws upon several sources including historical documents. In this sense, the concepts of private authority, market authority and private authority (Cutler *et al.* 1999) (Hall & Biersteker 2002b) are adequate analytical concepts to analyse the oil negotiations and agreements that companies have developed to regulate the transnational practices of the oil industry.

Based on of private authority's definition by Cutler *et al.* (1999: 5) and Cutler, Haufler and Porter (1999:5), Anglo-British oil companies had the power to make decisions about the oil industry, and with the consent of their own governments and those of countries colonized with oil resources, as is the case with Qatar. These private entities acted as regulators and made decisions regarding the regulation of the international oil industry and market and standardized the oil concession system.

During the 19th century, private authority in the oil sector emerged from different forms of cooperation. From alliances between Anglo-American oil companies and their governments, inter-company cooperation between oil companies, and market transactions (IPC, APOC). These dynamics constituted an important part of the institutionalization of strategic cooperation between these actors, through the weaving of cooperative relations between institutions and authorities. And as a consequence, this institutionalized cooperation derives in private authority with decision-making quality that is obligatory for public actors and participants. In other words, the development of common forms of behaviour, norms, regulations and expectations must follow (Cutler *et al.* 1999: 334).

4.3.2.1 GB and US and their Oil Majors: Cooperation and Alliances for Oil Negotiations

The oil companies APOC and SOCAL (oil majors) complicated their oil relations during the negotiation of the oil concession with the Sheikh of Qatar. As they were of vital importance to both governments. It can be said that these companies acted as foreign policy instruments of their own countries. with the objective of defending political, economic and strategic interests. This is mainly due to the strategic cooperation between the two to defend their interests at the international level. On the one hand, the British and American governments needed moral authority (Hall & Biersteker 2002a) or the knowledge and experience of these national companies to have a chance of gaining control over Qatari oil. On the other hand, both companies needed the diplomatic support of their colonial or host governments to obtain the oil concession; that is to say that colonialist expansion depended on knowledge (Painter 1995: 106-7).

For the British and American authorities, oil is a strategic commodity and a resource of economic and industrial power. It is also a basic engine for commercial expansion and for imposing their military hegemony in the world. The knowledge and experience (moral authority) of the oil companies had been necessary for the British and American governments. It allowed them to acquire, control and use the world's oil resources and especially those of the Gulf. These resources were key to their economic and military expansion and the strengthening of their colonial power. It placed them at a competitive advantage and granted them hegemony and structural power in various fields and sectors. The imperialists made great efforts to cooperate with the oil company to obtain such knowledge and experience. Because, for them, oil is a strategic commodity and a resource of economic and industrial power.

In our view, the concept of Hall's “moral authority” (Hall & Biersteker 2002a) applied to oil companies refers to their ability to explore, extract, refine and transport oil for commercial, military, naval and industrial use in general. This knowledge and experience of these companies gives them recognition and legitimacy in the eyes of governments, and from this derives their moral authority. According to Painter (1995: 106-7), “in [the] process of imperial expansion and overseas colonization, knowledge was of vital importance” this argument strengthens the reason for the good position of the Anglo and American oil companies in their host government’s strategic cooperation. The British and Americans carried out the oil venture as part of their colonial expansion and strengthening strategies to control the oil resources in Qatar, the Persian Gulf and elsewhere.

Another author confirms this symbiotic relationship between these two actors and authorities. According to Marsh (2007: 26) "the government and the oil industry were locked in a symbiotic relationship" that often saw oil companies and their national governments working together in search of competitive advantages. The British government’s support of APOC’s effort in gaining the oil concession in Qatar as a pertinent example of this statement will be discussed in the next sections. Also, we will explain the inter-related struggles between the British and American governments and the oil companies. This will provide the base for the analysis of different forms of private authority.

4.3.2.2 US Interactions of Power: SOCAL Competition and Rivalry

We explain in this section the growing competition between the American company SOCAL and the British company APOC in trying to obtain a Qatar oil concession. We clearly highlighted the intervention of SOCAL in the process of negotiation between APOC and the ruler of Qatar Abdullah.

4.3.2.2.1 US Open Door Policy

The “Open Door Policy” in the Middle East had been proclaimed by United States after the victory of the Allies in World War I. The Western powers led by the British

Empire, in an oligopolistic manner, shared the oil reserves of the Middle East as we mentioned in the previous section on the Sykes-Picot Agreement.

The Americans increasingly penetrated the Persian Gulf because of its oil resource, after the sharing of the Middle East “booty” and the reallocation of its borders between the British and the French following the Sykes-Picot Agreement. As mentioned previously, the fierce competition between the colonial governments was not only motivated by the political influence in the region but was mainly due to the Persian Gulf’s natural resources. The final aim of these governments (Britain, France, Russia and US) was to secure concessions for their oil companies (Keating 2006).

The power rivalry between the four nations (GB, US, France, and Russia) was clear after the disintegration of the Ottoman Empire. For this reason, the aftermath of the Treaty of Versailles and the creation of the League of Nations saw each nation begin to use their influence through various internal forces to get new concessions or expand existing ones. It is during this period it witness the early development in the role of the oil company as part of strategies employed by the major powers to gain control over the oil of the Persian Gulf.

The Turkish Petroleum Company (TPC) was the main battleground in oil issues. This company was created as a concession by the American-Armenian Gulbenkian[33] in Iraq in 1914. TPC’s shareholders include the National Bank of Turkey, the German Deutsche Bank that had financed the Anatolian Railway Corporation through the “Zander contract” and finally, APOC with almost 50% of shares and Shell with 25% of the capital (Sampson 1980: 89) (Yergin 1991: 184-5).

In December 1919 in San Remo, during a conference to negotiate a peace treaty with Turkey, it was agreed to revise the statutes of the members of the TPC,and it was decided to transfer the German participation in the company to the French. In exchange, the French would guarantee the free transit of Iraqi oil to the Mediterranean through Syria and Lebanon, both were French colonial territories at the time (Mommer 2002).

In August 1922, faced with constant American pressure to open the doors to their companies, the British offered American companies an initial share of 12% and later 20%.

[33] Gulbenkian is known as Mr. 5% because of his commission-participation in the company.

In 1925, the Iraqi government, which had been a shareholder of 20% of the capital since the San Remo agreement, was forced to sign an agreement with TPC, and transferred the former TPC to the Iraq Petroleum Company (IPC) and granted it a concession until the year 2000 (Sampson 1980: 91).

In 1928, after three years of competition and negotiations on the exploitation of oil from former Ottoman territories, the companies participating in IPC, finally agreed not to operate within the area of the former Ottoman Empire except through the IPC. These participants equally were owned by the Anglo-Persian Oil Company, the Compagnie Française des Pétroles, Shell, the Standard Oil Company of New Jersey and 5% of Gulbenkian. It was the latter who drew a red line around the geographical space that covers possible oil reserves for production. From there, it was called the Red Line agreement and the parties agreed not to compete with each other in these territories. As a result, the door was opened to the American companies Exxon, Gulf, Texaco and Mobil and others, and they obtained a 23.7% share of IPC (Sampson 1980: 92).

4.3.2.2.2 SOCAL Competition

APOC began its negotiations in 1922 by providing the British political representatives in Kuwait with a draft concession agreement as a basis for further talks with Sheikh Ahmad (India Office 1922). Highlighting the British intention to exert influence in the country and their support for APOC's bid for the concession, the British representatives in Kuwait began to check and prepare the draft before presenting it to Sheikh Ahmad (More 1923).

Just as the British team (Britain and APOC) was in the advanced stages of submitting an offer to the sheikh, the event, however, took an unexpected turn when the Eastern and General Syndicate Limited (EGSL), another rival candidate for the concession, entered the negotiations. This competing American company was formed in August 1920 with the objective of obtaining concessions and investigating business opportunities in Arabia. The intervention of the Eastern and General Syndicate Ltd. was to complicate the negotiations between the sheikh and the duo of Britain and APOC and to hinder the British from acquiring the oil concession until 1935. The interactions between these actors, as will be analysed further in this chapter, provide us with numerous examples of struggles around power and authority.

In addition, news and rumours in the Persian Gulf that SOCAL was paying Ibn Saud with gold made it difficult for the British to obtain oil concessions from Qatar. Abdullah himself saw this as a factor to improve his negotiating position. The British were also informed that SOCAL was in contact with the various sheikhs of the Persian Gulf to obtain the concessions.

In period from 1932 to 1934, the American company entered the negotiating line. Hussein Yateem contacted Sheikh Abdullah in June 1932 and asked him to grant the EGSL company a concession to explore for oil in Qatar, but the sheikh rejected the request, because of the contract binding him to APOC[34]. At the end of 1933, Hussain Yateem sent another letter to Saleh Al-Manaa through Abdullah Al-Fardan, asking him to mediate with Sheikh Abdullah to grant EGSL the concession with Qatar. The American company would pay 10% more than the British had offered, but the sheikh confirmed his rejection again, due to the existence of a valid contract with APOC until August 25, 1934. In February 1934, Haji Ben Qassim, secretary of the Al-Hasa Oil Company, sent a letter to Abdullah informing him that his company would submit a better offer to APOC[35]. The British were afraid that Ibn Saud was behind SOCAL, as the dynasty was a constant threat to British interests. There was also suspicion of Holmes, who was rumoured to be contacting with Abdallah bin Qassim and try to dissuade him from APOC (Zahlan 1979: 72).

The concessions obtained by SOCAL in Bahrain, Saudi Arabia and Kuwait increased American interest in Qatari oil. The US government officially asked the British government which were at the eastern borders of Saudi Arabia, with the aim of clarifying the geographical space that would limit the manoeuvres of the oil companies and to secure the borders that demarcate the eastern desert that includes the large oil reserves in Arabia. Also, to know the borders of Qatar. In April 1934, the British government backed their response to the Americans demarcating the eastern frontiers of Saud Arabia as being constant in the 1913 Anglo-Turkish treaty with the *Blue Line*[36] mapping. The American

---

[34] Letter from Political Agent in Bahrain to Sir H.V. Biscoe, Political Resident in the Persian Gulf, 4th June 1932, IOR/R/15 / 1 / 666; Letter from Political Resident in the Persian Gulf to His Majesty's Secretary of State for Colonies, 11th June 1932, IOR/R/15 / 1 / 666. Quoted From (Abu Shuk 2017: 284)

[35] IOR/R/15 / 2 / 410.

[36] The Blue Line that ran due south from the head of the bay opposite Zaknuniyyah island meeting the line of demarcation between Turkish Arabia and Aden, 1913 Anglo-Turkish Convention.

intervention was stopped, although the American oil company SOCAL tried to find other ways to get the Qatari oil concession.

With a long-established historical influence in Qatar, the British were in a much better position than the Americans and other powers. However, British oil policy was slow to develop in the Persian Gulf, despite being the first to impose its authority in the region since the D'Arcy concessions and with restrictions on the Gulf rulers not to establish foreign relations or to cede the exploitation of the territory to foreign companies and governments. In fact, the interest, experience and expertise of American oil companies were determining factors in competing for oil concessions in the Gulf. These manoeuvres pushed the British to accelerate the signing of preliminary concessions in Kuwait, Qatar, and Abu Dhabi and other neighbouring sheikdoms during the 1930s. According to Tarbell (1904: 274), "from the beginning the Standard Oil Company has studied thoroughly everything connected with the oil business. It has known, not guessed at, conditions. It has had a keen authoritative sight. It has applied itself to its tasks with indefatigable zeal" (Quoted from (Coll 2012: 35)).

4.3.2.3 GB Government and APOC's Alliance Bloc

The British entered into a long negotiation with Abdullah for the concession of Qatari oil under the threat of intervention by his competitor SOCAL, who was negotiating concessions in Saudi Arabia, Bahrain and Kuwait. And also, to prevent Saudi interference in Qatari oil.

The beginning of the negotiation process on the oil concession had its origin in the 1916 protection treaty. The British government of India obtained a commitment from the ruler of Qatar (Article IV and V of Treaty 1916) to grant oil concessions only to companies approved by the British government. The government's intention was to exclude non-British applicants, or at least to ensure that concessions granted to non-British applicants were subject to British government supervision.

The British government was against any presence of oil companies in Arabia, especially if they were American. It wanted to ensure that only British companies entered the sector of petroleum. And Qatar was part of this very interesting territory, particularly as Article V of the treaty specified that the ruler could not grant a concession without the approval by British government. The treaty of 1916 determined how the oil concession was supposed to proceed. In section 2.3.2, we explained how the concession system worked in the Persian Gulf in the colonial context.

The oil discoveries in Persia influenced the strategic vision of British expansion in the region and reinforced the economic and commercial interest in the Persian Gulf as a priority in its agenda. D'Arcy obtained the first concession from Persia (today’s Iran) in 1901 and later other concessions from the Persian Gulf. D'Arcy enterprise was called First Exploration Company (FEC) was the most experienced to invest in the oil industry in the Persian Gulf. But after economic problems and investment risks in Persia, D'Arcy decided to sell the company and the concession to another foreign investor called the Burmah Oil Company. It formed a new company called the Limited Concessions Syndicate in 1905 and kept D'Arcy as its director to continue its operations (Yergin 1991: 142). Abdullah granted the D'Arcy Company, later a subsidiary of APOC, the first license to explore for oil in Qatar in 1926.

In 1909, the Anglo-Persian Oil Company was founded to take over oil operations to exploit the newly discovered oil in southwest Persia. In 1913, at the efforts and behest of Winston Churchill, then First Lord of the Admiralty, the British government acquired a controlling interest in APOC to ensure a reliable oil supply for the Royal Navy. Then, in 1914, the British decided to buy a majority stake in APOC (Turner 1978: 25). The British government invested £2.2 million in the company, raising the company’s initial capital from £2 million to 4.2 million. The Burmah Oil Company was the main shareholder founder during APOC’s foundation. The share of the government was then around 52.5 %, with Burmah Oil Company retaining 22.5% and the public 25% (Yergin 1991: 161). Over time, “APOC became Britain's largest overseas investment and the security of Gulf oil became an important element of British foreign and defence policy” (Onley 2009). On February 4, 1926, the Political Resident in the Persian Gulf, F. B. Prideaux (1927-1924), issued a letter to the Minister of Foreign Affairs of the Government of India, explaining that he had met Sheikh Abdullah Bin Qassim on January 9, 1926 and that the sheikh was still adhering to the freezing of Article VII of the British-Qatari Protection Agreement of 1916. Because, at that time, the sheikh himself was one of the major pearl exporters to India, he feared Indian competition in the pearl trade. But the Political Resident showed Sheikh Abdullah that drilling for oil and minerals in Qatar does not take place until after the activation of the articles (VII, VIII and IX) of the Protection Agreement[37]. Two weeks after the date of the conversation, the Political Agent in Bahrain sent a telegram to the Resident at Bushire, informing him of the arrival of George Martin Lees and the geological team representing APOC in Bahrain, with the intention of going to Qatar to conduct geological surveys[38].

In March 1926, George Martin Lees arrived in Qatar, accompanied by A.F. Williamson, who was working for APOC and he is linked to Sheikh Abdullah, where they met Sheikh and his son Ali. After conducting the initial exploratory surveys, they asked Sheikh Abdullah to write a license for them, as representatives of APOC, to continue its geological surveys in Qatar. Indeed, on March 10, 1926, Sheikh Abdullah issued a letter addressed to Lees and Williamson, informing them of his agreement to conduct geological surveys for a period of eighteen months, from March 9, 1926 to September 9, 1927. Provided that the company submits a draft agreement at the end of the period that includes oil exploration in Qatar and if the ruler Abdullah does not accept the project, he has the right to negotiate with any other company with an interest in getting Qatar's oil concessions[39]. Based on this understanding, the company conducted some geological surveys whose results were not encouraging and which led to the freezing of the negotiations.

In the early 1930s, SOCAL acquired the concession for Bahrain's and Saudi Arabia's oil and for 50% of Kuwait's oil. As a result, the British government faced severe criticism in London and New Delhi because it had not succeeded in protecting British interests in the Persian Gulf. According to Chahdad, APOC has pushed for a policy of a freeze nature, in this sense, the company tends to limit itself with temporary exploratory licenses and geological surveys without taking positive steps toward oil extraction. These criticisms seem to have encouraged the British government to support APOC politically

[37] Letter from F. B. Prideaux, Political Resident in the Gulf, Bushire to Foreign Secretary to the Government of India: 'F-82 82/27 I: QATAR OIL' [33r] (80/730), British Library: India Office Records and Private Papers, IOR/R/15/1/626, in *Qatar Digital Library* <https://www.qdl.qa/archive/81055/vdc_100023609687.0x000051> [accessed 18 March 2019]

[38] Telegraph from the Political Agent in Bahrain to the Political Resident in the Gulf, Bushire, 22 February 1926, IOR/R/15/1/626. 'F-82 82/27 I: QATAR OIL' [38r] (90/730), British Library: India Office Records and Private Papers, IOR/R/15/1/626, in *Qatar Digital Library* <https://www.qdl.qa/archive/81055/vdc_100023609687.0x00005b> [accessed 18 March 2019]

[39] Letter from Sheikh Abdullah Bin Qasim to Mr. G.M. Lees and Haji Williamson, 10th March 1926, IOR/15/619. 'F-82 82/27 I: QATAR OIL' [44r] (102/730), British Library: India Office Records and Private Papers, IOR/R/15/1/626, in *Qatar Digital Library* <https://www.qdl.qa/archive/81055/vdc_100023609687.0x000067> [accessed 18 March 2019]

and to negotiate to obtain the Qatar oil concession without responding to the criticisms of American companies and their following in the Persian Gulf (Chahdad 1985: 27).

As a result of the pressures by British authorities, the director of APOC wrote a letter to the Political Resident in the Persian Gulf on March 23, 1932, stating:

"[...] Years ago, we exchanged correspondence with the Sheikh of Qatar by we were granted an exclusive exploration license within his territories. We are anxious to confirm and extend that license we may shortly be turning our attention to H.E.'s territories [...]"[40]. On the basis of this request, Sheikh Abdullah and Charles C. Mylles, the company's authorized agent, signed a contract to extend the license for oil exploration for a period of two years from August 25, 1932 to August 25, 1934. The company committed to paying 1500 rupees to Sheikh Abdullah until the end of the contract. During this period, the sheikh was not permitted to grant any license to any other company to examine the land or to prospect for oil and minerals in Qatar. And at the end of this period, if the company can present a comprehensive and convincing agreement to the sheikh, it may continue its work in extracting oil, and in case of disagreement, Sheikh Abdullah has the right to contract with any other company he deems appropriate if he obtains the approval of the British government[41].

After the Achnacarry Agreement of 1928, Qatar was included in the area of responsibility of the Political Resident of Bahrain. After Percy Cox, it was L. Col. T. C. W. Fowle who was the next Political Resident to hold office from 1932 to 1939, reaching a position similar to that of his predecessor. Fowle was in charge of the two Political Agents in Kuwait and Muscat and supervised the events in Abu Dhabi, Dubai, Sharjah, Umm al-Qaiwain, Ras al-Khaimah, Ajman and Kalba. These British authorities in the Persian Gulf were instructed by the British government in India and London to do everything possible to obtain concessions for D'Arcy in both Qatar and the sheikhdoms. And that meant, in the case of Qatar, the frequency of visits by these authorities to the

---

[40] Letter from Deputy Manager of Anglo-Persian (Abadan) to Fowle, the Political Resident in the Gulf, 23th August 1932, IOR/15/1/626: 'F-82 82/27 I: QATAR OIL' [47r] (108/730), British Library: India Office Records and Private Papers, IOR/R/15/1/626, in *Qatar Digital Library* <https://www.qdl.qa/archive/81055/vdc_100023609687.0x00006d> [accessed 18 March 2019]

[41] Agreement between Abdulla and Mylles, in Doha, 25th August 1932. IOR/15/1/626: 'F-82 82/27 I: QATAR OIL' [55r] (128/730), British Library: India Office Records and Private Papers, IOR/R/15/1/626, in *Qatar Digital Library* <https://www.qdl.qa/archive/81055/vdc_100023609687.0x00007f> [accessed 18 March 2019]

peninsula to defend the oil interests of the empire and to get the agreement for the oil concession. This action of the British government underlines its awareness of the positive political and economic consequences that can derive from obtaining the oil concession (Stocking 1971: 9).

In the period from 1932 to 1934, the Political Resident Fowle and the British authorities began to be aware of the strong rivalry and competition of SOCAL in the Persian Gulf. To make matters worse for Fowle, he began to hear that SOCAL, from its offices in Saudi Arabia and Bahrain, was quietly beginning to send out emissaries to the different rulers. However, as we said earlier, all mediation attempts by Hussein Yateem, Saleh Al-Manaa and Abdullah Al-Fardan, Haji Ben Qasim and attractive offers were rejected by Sheikh Abdullah.

All attempts, led by SOCAL and its Saudi intermediaries to dissuade Sheikh Abdullah from APOC failed. And provoked suspicion in the British authorities concerning Abdullah's relations with them and the interests at stake. Fowle, through his sources, received information that SOCAL had on several occasions offered much better conditions than APOC[42] and thought that the ruler was now playing for time so that APOC's option would expire in August 1934. After this period, Sheikh Abdullah would be free from his commitments to the British and could then negotiate with SOCAL. The fear that Ibn Saud himself was behind SOCAL loomed large and posed a constant threat to British interests. Furthermore, the question of how to manage the concession of Qatar, the so-called "vexed question", became a subject of much discussion in the government departments of the Empire[43].

Fowle disapproved of any move that only served to irritate Sheikh Abdullah. He was also aware that SOCAL and its movements were a tool for the Saudis to be able to annex Qatar. Then, the Indian government agreed with the resident's suggestion to enforce Article V of the 1916 treaty and added that to ensure the signing of an APOC concession, the Political Resident should at the same time offer the protection that

[42] Telegram from Political Resident to Secretary of State for India, 12 April 1934. IOR/L/PS/12/3800: Coll 30/83 'QATAR OIL CONCESSION, POLICY AND PROTECTION.' [245r] (500/1018), British Library: India Office Records and Private Papers, IOR/L/PS/12/3800, in *Qatar Digital Library*<https://www.qdl.qa/archive/81055/vdc_100057526958.0x000065> [accessed 18 March 2019]

[43] Document of the decision of the British Government to offer military protection to Qatar in exchange for the granting of the oil concession to APOC (including discussions by the Committee of Imperial Defence, and its Standing Official Sub-committee for Questions concerning the Middle East). Coll 30/83 'QATAR OIL CONCESSION, POLICY AND PROTECTION.' [246r] (502/1018), British Library: India Office Records and Private Papers, IOR/L/PS/12/3800, in *Qatar Digital Library*<https://www.qdl.qa/archive/81055/vdc_100057526958.0x000067> [accessed 18 March 2019]

Abdullah had originally requested in 1921. In his meetings with Abdullah in March 1934, Fowle presented his proposals to the sheikh, expressing his disagreement with his behaviour in dealing with other non-British companies. He rebuked Abdullah for having made arrangements with Ibn Saud, which went against the relations agreed with Britain and he made it clear to him that he had to comply with British decisions made by the authorities in London[44]. According to Zahlan, Fowle "was able to resolve all the outstanding conflicts and who was instrumental in formulating a Qatar oil policy; and it was largely due to his efforts that APOC was to acquire the best commercial terms possible" (Zahlan 1979: 72).

4.3.3 Market Authority and Agreement Concession 1935

In this section, we identify and examine of APOC's market and moral authority over Qatar's oil and we analyse Qatar's oil agreement concession of 1935.

4.3.3.1 Political Agreement: Protection and Succession

The British arguments began to force Abdullah to reposition himself and to show more willingness to continue negotiating with APOC for an extension of exploration and later for a concession agreement. In July 1934, Charles C. Mylles, the APOC representative finally closed the 8-month exploration extension. But the pressure from the British did not cease, in order to prevent any rapprochement or closing of the deal between SOCAL and Abdullah, especially after the penetration of the American company in Saudi Arabia, Kuwait and Bahrain. The British demanded that Abdullah unfreeze articles VII, VIII and IX of the 1916 treaty, which paved the way for the drafting of the concession agreement. The British also offered to recognize Hamad Bin Abdullah as Qatar's legitimate successor, if he would accept the 1916 obligations. This proposal was to guarantee the validity of the oil concession agreement in the event of Sheikh Abdullah's death.

According to Zahlan, Abdullah viewed the whole situation as a political, not a commercial problem, because he had originally refused to accept 5000,000 rupees per annum after the first few years of the signing of the concession. And this refusal and rejection of the APOC offer surprised Mylles and Fowle. Abdullah's strong position

[44] Letter from Political Resident in the Persian Gulf to to Secretary of State for India, 5 April 1934 Coll 30/83 'QATAR OIL CONCESSION, POLICY AND PROTECTION.' [269r] (548/1018), British Library: India Office Records and Private Papers, IOR/L/PS/12/3800, in *Qatar Digital Library*<https://www.qdl.qa/archive/81055/vdc_100057526958.0x000095> [accessed 18 March 201

raised suspicions about the real reason behind this reaction. Because "[...] Abdallah regarded the APOC concession as a political agreement, and wished to extract the maximum political advantages from it for himself. He understood the principle of the territorial imperative and wanted to ensure his own political stability and continuity before any financial gains could be enjoyed" (Zahlan 1979: 75).

In the final stage of the negotiations, Abdullah tried to make the most of them to defend his interests, especially the renewal of the protection agreement. On May 8, 1934, when Fowle returned to Doha to sign the agreement, Abdullah refused to sign the agreement without receiving the cash and letter of protection from the British government. The Political Resident promised that the letter of protection would be granted once the oil concession was signed with APOC. In a letter to Abdullah on May 11, Fowle made the British government's responses to major issues and questions raised by him clear. The most important issue was about protection of the sheikhdom,

"[...] His Majesty's Government naturally expect you to take all reasonable steps for your defence and for maintaining order within your own frontier"[45].

And the other issue was regarding the succession and the recognition of Hamad as his successor as ruler of Qatar,

" (6) [...] His Majesty's Government are prepared to support you and your successors in any difficulties arising from the presence of the Oil Company [...]. (7) It is understood of course that the above arrangements are subject to your granting the Oil Concession about which the Anglo-Persian Oil Company have been negotiating, to that Company"[46].

As mentioned earlier, the British put as a condition to Abdullah's succession, Hamad's adhesion to the 1916 treaty, expressing their acceptance and commitment in its fulfilment. Abdullah took the decisive step of signing the commercial agreement with APOC when he saw that his political interests were achieved, which related to the protection of the country and the recognition of his son Hamad as the legitimate successor to power.

4.3.3.2 Commercial Agreement: Abdullah and APOC

In this section, we explain the principal elements of the commercial agreement: The parties, duration, scope of rights granted, and Sheikh Ruler take. Method of awarding the concession was explained before.

---

[45] Coll 30/83 'QATAR OIL CONCESSION, POLICY AND PROTECTION.' [13r] (36/1018), British Library: India Office Records and Private Papers, IOR/L/PS/12/3800, in *Qatar Digital Library*<https://www.qdl.qa/archive/81055/vdc_100057526956.0x000025> [accessed 19 March 2019]

[46] Coll 30/83 'QATAR OIL CONCESSION, POLICY AND PROTECTION.' [17r] (44/1018), British Library: India Office Records and Private Papers, IOR/L/PS/12/3800, in *Qatar Digital Library*<https://www.qdl.qa/archive/81055/vdc_100057526956.0x00002d> [accessed 19 March 2019]

The efforts of the British government and the Political Resident Fowle paid off. They ensured the success of APOC and the concession was finally signed on May 17, 1935[47]. The concession gave D'Arcy – as subsidiary of APOC- a sixty-year exclusive privilege to "[..] to explore, to prospect, to drill for and to extract and to ship and to export and the rights to refine and sell petroleum and natural gases [..]" (Article I)[48]. Although no one could be certain about the degree of difficulties that the oil company may face in oil exploration and whether any commercial amount of oil would be found, it was certain that through the concession, the oil company had gained power and authority over the country's natural resources. Such influence would also lead to the company taking a role that was heavily involved in the economic and social development of Qatar (Article VI). Thus, the signing of the concession further demonstrates that "private authority" can emerge from the process of gaining oil concessions. So, although on the surface, it can be concluded that private actors such as APOC held all the power and authority to gain the concession relating to oil operations.

Through APOC's concession, the company was given authority to operate in almost all the territory of Qatar that was defined by a map attached to the concession and which consisted of an area of 11,437 square miles. "The Company can operate in any part of the State [... excluding] religious lands, cemeteries[...]"(Article II). The company had rights to conduct explorations, hire drillers, and import drilling equipment and technical and domestic supplies essential to drilling operations. Under the terms of the concession (Article XI), the Qatari ruler was responsible for protecting the companies' operations including its equipment and workforce. Instead, the company had to turn to private security to protect the operation from raids (Article XI). Thus, as the ruler abdicated its responsibilities for protecting the oil operations to the oil company, they in turn transferred part of their authority to the oil company. Consequently, the company has not only gained authority from sharing control of such responsibilities, they also gain great influence over the ruler on any issues involving security of the oil operations. In addition, Sheikh Abdullah exempted the company from all taxes except those stipulated in the concession *"[...] the Company and its operations, incomes, profits and properties shall*

---

[47] 'Qatar Oil Concession and connected Documents [Oil concession granted by the Sheikh of Qatar to the Anglo-Persian Oil Company, 17 May 1935]', British Library: India Office Records and Private Papers, IOR/L/PS/18/B444, in *Qatar Digital Library* <https://www.qdl.qa/archive/81055/vdc_100000000833.0x000006> [accessed 3 February 2020]

[48] Ibid.

be exempt and free, during the period of this Agreement, from all the present and future taxes of any kind whatsoever" (Article X).

We argue that even though the concession belonged to the oil company over which they had full control under the signed agreement, the British government had undeniable influence. Clearly, the influential role of the British government is not only limited to the process that the oil company carried out to obtain the oil concession, but also encompasses the process through which the oil company exercises it. Therefore, it can be said that the role of the British government in the process of obtaining and implementing the oil concession raises more questions about the line we could draw between public authority of the British government and private authority of APOC.

The British participation in the company's shareholding clearly explains why and the interest in the Qatari oil concession by the British government. It should be recalled that Britain injected £2.2 million into APOC, raising its shares in the company to 52.5%. It is therefore difficult to say whether the identity of the oil company is truly private and whether its authority can really be defined as a form of "private authority". According to Sassen, "the spheres of influence or authority of these actors are seen as distinct and mutually exclusive [...] the process is clearly producing a very partial but significant form of authority... it is neither fully private nor fully public" (Sassen 2003: 242-3), we think his argument is solid to convince of the difficulty of drawing the borders between the two authorities or actors. Based on this explanation, we say that the activities, practices and decisions adopted by the oil company in the exploration and extraction of oil through the concession can be considered as "private authority". However, this is with some power from the public.

Regarding Sheikh Ruler take, the terms of agreement included the payment of 400,000 Indian Rupees to Abdullah on signature; 150,000 Indian Rupees by year for the first five years of the agreement, and 300,000 Indian Rupees per year from the sixth year to the end of the agreement (seventy-fifth year). And with the start of production, the company was obliged to pay a rate of 3 Indian Rupees per ton of crude oil. These conditions of the agreement are more favourable to the company. If one compares Abdullah's offer to access almost all of Qatar's territory and the exemption from taxes, one can clearly see the undervaluation and forced exploitation of Qatar's natural resources. In addition, according to Article XII of the agreement, it was planned that when

Abdullah granted a concession to APOC, the latter would transfer its rights to a new subsidiary company named Petroleum Concessions Ltd (PCL), formed and registered in London in 1935.

With the prosperity and financial returns at stake, Sheikh Abdullah allowed the oil company full authority over local organization and local activities around the area of operation. In short, the ruler of Qatar was more than happy to allow the oil company to gain “private authority” in return for steady development of their oil industry. At the time, this public and private relation has been a common feature in both national and international oil industries. Such control and monopoly over home markets which sees the oil company play an influential role in the way the market is regulated, as argued by Michael Webb, can be seen as “a clear example of the exercise of [private] authority” (Webb 1999: 86).

4.3.3.3 APOC and British Government Agreement

The agreement between APOC and the British government was signed on June 5, 1935. Later, the concession was transferred to Petroleum Development (Qatar) Ltd (PDQL) and Salih bin Mani and Hamad bin Abdullah were appointed the local representatives for the company. In the summer of 1937, PDQL started its activities with a geological survey of the territory Qatar and in January 1938, it had employed seven Europeans, five of whom were British. And the drilling operations continued to be developed and the tests of the company was stated to have been highly satisfactory near the locality Zekrit in January 1940, (Political Residency 1986: Vol. IX (1931-1940) p. 35-8).

Considering the fact that public/private relationships play a vital factor in the success of the operation, the activities mentioned can be seen as part of the strategy employed by the company to try to establish a positive relationship with Qatar and to stand shoulder to shoulder with the two public authorities. Biersteker and Hall draw further on this point by saying that “as long as there is consent and social recognition, [private actors] can be accorded the rights, the legitimacy, and the responsibilities of an authority” (Hall & Biersteker 2002a: 8).

PART II: POWER, POLICY AND GLOBALISATION

Chapter 5 Ali-Ahmed’s Power and Oil-Driven State Formation

5.1 The Transformation of Power Structure, Economy and Society: Oil’s Impact (1949-1972)

The power structure during the rule of Ali Bin Abdullah (1949-1960) and Ahmed Bin Ali (1960-1972) was characterized by a concentration of elites and resources. The primary elites in Qatar were organised in a very restricted power centre based around the Al Thani family and a small group of close personalities and merchants such as Al-Darwich, in which this dynasty increasingly occupied a central role throughout Qatari territory.

During the period from 1949 to 1970, the formation of state structures and administrative organizations were configured as major areas for the expansion of the power infrastructure and thus, the determination of the power structure in Qatar. The first stage was marked by the establishment of the financial and security apparatus and was formed under pressure from Britain. As for the second stage of its development, it focused on establishing infrastructure projects and providing civil services to the population. In the last stage, it was characterized by the formation of the administrative apparatus and the formulation of laws regulating the state and society. As result, the development of the state will allow the ruling Al Thani elite to have a crucial power resource for their survival, in parallel with oil revenues.

5.1.1 Economic and Social Transformation: From Pearling to Hydrocarbon Era

In the pre-oil era, Qatar’s economic structure was a subsistence economy based on the poor benefit from the natural resources found in the environment with similar economic activities and characteristics to those of other Arabian sheikhdoms. It could be argued that the sea was the main source for all the necessities of life (pearl diving, fishing, trade and transport operations, etc.). The land was very limited and was used for modest plantations with limited natural conditions for agricultural expansion. Few water resources, poor soil qualities in addition to the lack of experience of the population were factors that reduced the benefits of agriculture. Also, the animal husbandry was limited. The geographical location of Qatar on the coast of the Gulf and on a part of the Arabian Peninsula Desert provided for only limited economic activities. There was much economic suffering in Qatar during the pre-oil era.

After the discovery and export of oil, everything changed and Qatar, just like its neighbours, underwent a great transformation that reached into all areas: social, economic, political, environmental, demographic, or cultural.

5.1.1.1 Al-Ghous[49] and Pearl Industry

"We are all from the highest to the lowest slaves of one master, pearl" (Carter 2005:187). These words of Muhammad bin Thani explain perfectly the dominance of the pearl industry in the economy and society. This field had a great influence on the organization of Qatari society, since most of the incomes and the supply of labour, as we have already seen, came from the extraction of pearls from the bottom of the sea. Pearl farming involved an intimate relationship between the Qatari ruler and the population.

During the first quarter of the 19th century, Qatar experimented an economic boom based on the pearl diving industry (*Al-Ghous)*. The majority of the population worked in activities linked with this sector (Lorimer 1970). The summer period was an opportunity for all productive forces in the country to work together in the diving season, as the pearl season begins in early summer, running from May to September. The pearl diving activities were conducted only in the area of the Persian Gulf, with abundance of pearls to be harvested. It was not an easy occupation. The pearl diving craft was exercised by men who exposed their lives every day to this very risky job that could end in death. (Bishara *et al.* 2016)

Economic activities that were related to pearl diving were based on a socio-economic organization of several classes. First, at the top of the class structure, there were the boat owners or boat masters, called *Nokhada*[50]. These elites controlled and dominated the processing of pearl-related economic activities. Pearl diving operation needs capital to finance the diving boats and the traders were the financers of the diving process. Second, there were the numerous workers of the pearl industry; the main and only market for labour to gain more economic revenues. Due to the financial pressures and need to work, men accepted work under harsh conditions. As an example of the unequal relationship, the boat owners gave loans with interest to the workers before they started the sea journeys. As a result of these arrangements, the workers continued under the domination of the *Nokhada* until the loans were paid in full (Rumaihi 1980).

The sheikh taxed the pearl boats, which known as "pearl government". This was his principal source for revenues. In theory, the aim of these taxes was to give security to the cities and villages during the diving season. These taxes collected by the sheikh offered annual benefits of some 65,000 rupees and could increase or decrease depending on the circumstances and crises to which the pearl sector was exposed. Customs income

---

[49] The pearl diving industry was called *Al-Gous* الغوص الكبير great diving
[50] *Nokhada* (النوخذة)

has been associated and linked organically with pearl diving. In the prosperity years, with great imports during the summer season, the government gathered large revenues from customs duties. And, when the pearl diving business went into recession, it has been directed a severe blow to the principal resource, in consequence low incomes (Lorimer 1970).

According to Fromherz (2012: 118), the Al Thani ruler in Doha did not receive the pearl fishing revenues from all actors. In the early 20th century, after Sheikh Jasim Al Thani managed to consolidate his power, the Al Thani family solidly positioned itself as the leading family in Qatar. However, many tribal communities were still completely tax exempt. Outside of Doha, there was hardly any feeling of monetary obligation to the Al Thani. According to Lorimer (…), the Al-Sudan of Bidaa were tax exempt and Sheikh Al Thani of Doha received what Lorimer estimated to be a modest $8,400 a year. Several Wakra tribes were tax-exempt, too and those who were responsible made their payments to the Sheikh of Wakra, not to the Al Thani of Doha. The Sheikh of Wakra received approximately $3,400 per year. In all other ports no tax was levied (Lorimer 1915). And as result, it has become an urgent need for the existence of the tax system. The sheikh was to rely on the management of the customs agents who were to do their best to impose taxes and duties on goods and passengers (Lorimer 1970).

Most of the pearling taxes and customs duty went to the sheikhs. A small part was spent on the guard and procedures for security and defence and much of this revenue was used for the protection of ships against raids or the care of the city while the ships were at sea. The rest went into the pockets of the sheiks (Lorimer 1970).

In the 1860s, the industry and trade of pearling developed. The number of pearl boats operating increased to 817 boats, while the number of employees amounted to about 12.890 male divers (Lorimer 1970). Pearl diving involved more than half of the men in Qatar during the pre-oil period. The scheme of work was very simple, focused on trade, and did not allow for the development of any industry in the sector. The pearl prices were associated with its quality, abundance, and its demand from European markets. The pearl business was a luxury business and its market was abroad, in countries with financial resources and a class with high purchasing power. Therefore, it was a global commodity with market prices dependent on demand and supply. And Qatari pearls were considered to be of the highest quality (Carter 2005).

The decline of the pearl sector started in 1930, when the prices began to decrease dramatically. This had and automatic impact on the number of boats and personnel in the sector. In 1930, the diving boats had decreased to 500-550, and the volume of workers to 5.000-6.000 (Al-Jaber 2002). In the years following 1930, revenues fell by almost a quarter (Lorimer 1969). The pearl trade recession period dealt a severe blow to the Qatari economy and to the main power resource of the ruling sheikh. That is, the entire elite and population suffered a severe crisis due to lack of income, which forced families and tribes to migrate. The period from 1925 to 1949 was known as the "hunger years". The Emirate suffered its deepest economic depression (Fromherz 2012: 119). In 1925, much of the Qatari pearling fleet had been destroyed in a dramatic flood, this intensified the migration movement. The merchant class, especially the captains and pearl owners, were devastated and indebted and plunged into a severe financial and economic crisis.

In the 1950s, the decline and demise of the pearl fishery bottomed out and by 1955, no pearling fleet left the Qatari coast. Qatar's economy started its transformation where the pearl industry will eventually be replaced by oil development and refining.

5.1.1.2 Oil Impact and Great Transformation

5.1.1.2.1 Social Transformation

Among the most important phenomena that affected Qatari society and accompanied the discovery of oil were the internal and external migratory movements. The discovery of oil has led to the occurrence of two types of immigration.

The first migration took place in the 50s and was internal, a migration of tribal people from their settlements to work with oil companies. However, the Qatari tribal people did not possess the necessary skills yet to work in this area, so they were limited to activities that did not require a lot of skill or technical knowledge. They were supervised by foreign managers. Qatar found itself in an unenviable position due to its shortage of national labour, particularly skilled labour.

The second immigration was external, a migration of foreigners to Qatar in response to the needs of the labour market at this stage. Population changes in the Qatari society were no longer limited to its indigenous population. Qatar's development projects in the fields of industries and services in particular, but without the demographic base to provide the required national manpower in quantity and quality, led to an urgent need of foreign migrant labour. The flow of labour to the Qatari society led to a change in the demographic structure. Qatar attracted Arab and Asian nationals, which led to a heterogeneous population structure. Most of Qatar's labour requirements were imported from non-Gulf sources, which made the country, like other Gulf states, dependent on foreign labour in all economic sectors. Migrant labour was a pillar for Gulf states upon which to sustain the development projects and patterns of social and economic modernization in the region. (Al-Najjar 1992)

Qatar was in a phase of deep transformation as a modern society, with technicians and skilled people migrating to Qatar to work in the oil fields. The foreign workers influenced every sector of the Qatari economic. Each class was characterized by a particular kind of employment. Foreign labour thus spread in the oil extraction zones and companies, whereas Arab labour spread in the field of education and clerical services. Asians were mainly working in low-skill jobs such as construction, cleaning, and domestic service. (Al-Ghanim 1986)

5.1.1.2.2 Economic Transformation

In 1949, oil production and export began. Production continuously increased over the years, especially after the discovery of new fields in 1964, which significantly increased the flow of oil revenues and enhanced the economic potential of the country. Qatari society has experienced two historical periods which were fundamentally contradictory. During the first period, before the discovery of oil, the society lived under limited economic conditions and was divided between the urban population along the coast and the nomadic population, the Bedouins, who moved around the country. As for the second period, the discovery of oil entailed deep economic transformations for the Qatari society. The change that occurred in the Qatari society happened quickly and suddenly. Qatar's economy changed from a survival economy with limited resources to an oil economy that generates significant resources for the society. Qatari society moved to a state of economic prosperity with increased incomes as result of the flow of oil and the enthusiasm of the great powers to make deals. Therefore, it took linking Qatar to the west through commercial relations and to achieve a strong economic status. The relations between Qatar and other countries expanded and has led the entry of Qatar into the international system and its role as a new actor, after having played a marginalized role in the global economy system.

Rumaihi (1980) stressed the impact of economic change on the infrastructure and superstructure of oil societies. New careers appeared in modern Qatari society. The merchants' elite expanded their business by investing their savings to create big companies. This economic elite consolidated its economic status and conditions after two decades of pearl industry crisis. In the context of this economic transformation, it shifted to the trade based on export and import.

A class of entrepreneurs formed to contribute to the modern construction required by the new development in the production and services, such as the building of roads, schools, hospitals, etc. Also, we can find personnel for the oil companies, workers for factories associated with oil and liquid gas production, or chemical fertilizers, cement factories, or employees for governmental departments and agencies, that did not exist before. (Al-kubaisi 2002)

Consequently, with the sudden discovery of oil, the population transferred its economic activities from the sea to the land. The sailors abandoned their boats, which remained at the ports in eternal rest after they had been roaming in the warm waters of the Persian Gulf. So, abandonment and separation processes have passed after difficulties, with a transition period that paved the way from a period of dramatic depression of the pearl trade. The sudden discovery of oil in Qatar has pushed the Qatari society to abandon traditional economic domains based on pearl diving, fishing and animal husbandry and to move quickly towards modern professions opening up in the modern economic sphere. Therefore, this rapid economic shift with large economic returns and its specificities characterizes the Qatari and Persian Gulf societies.

5.1.2 British Pressures for Modern Organization

After the production and export of oil from 1949, the British authorities pressed Sheikh Abdullah for administrative reform and the building of new institutions that could contribute to managing the country's affairs[51]. As we know, the regulation of power before oil production was dependent on tribal councils and Sharia courts. The authority of the councils was mainly based on economic power and control in addition to being a traditional authority whose legitimacy and management were based on inheritance. The Sheikh Council represented the supreme authority in the country, and through it, the sheikh controlled the rights of diving, port management, tax and customs matters and mediated in disputes, cared for public security and appointed secondary leaders. All of these functions exercised by Abdullah Al Thani indicated the extent of the strong central authority that the Sheikh of Qatar had to rule the country.

---

[51] FO371/74938, Summary of events in the Persian Gulf for the month of November, dated 2nd December 1949, p.5

The British intervened more intensively in Qatar and other sheikhdoms once oil revenues increased. London's instructions to its Political Residents started to be more vigilant to their interests, especially after World War II. In 1953, the Political Resident Bernard Burrows received the following instructions from the Foreign Office:
"The Sheikhdoms of the Gulf have become of first importance to the United Kingdom and to the Sterling Area as a whole. It is essential that Her Majesty's Government should exert sufficient influence in them to ensure that there is no conflict between the policies of the Rulers and those of Her Majesty's Government"[52] (quoted from (Smith 2004:3)).

The British presence in Qatar was strengthened, taking advantage of the crisis of Abdullah's succession (Al-Mansour 1979: 74). Prior to 1949, the British presence was very limited and restricted to visits by the British Political Resident in Bahrain. It was a valuable opportunity for Britain to form a British administrative structure to protect its interests in the sheikhdom. This only happens after Sheikh Abdullah rule. Sheikh Abdullah relied on the administration of public affairs by some personalities close to him, as well as some local merchants, especially Hamad, who was involved in all decisions (Crystal 1989: 119). During his rule (1913-1949) all British initiatives affecting Qatari internal affairs were rejected, as he considered them an undue interference in his private/Qatari affairs.

In the light of his abdication, Sheikh Abdullah and the British authorities agreed to implement articles VII, VIII and IX related to the 1916 treaty which stipulate: (1) the appointment of the political representative, (2) the acceptation of British merchants and trade companies to work in the Qatari market, and (3) the establishment of post and telegraph offices. Thus, Britain began the founding of a traditional colonial system, including the supervision of the administrative apparatus of the government (Qatar knew no modern administrative apparatus), and the establishment of British financial institutions. This mission has been delegated to the advisor Philip Plant, which exerted authority and control over the ruler's finances. Britain was therefore able to establish its administration over Qatar (Crystal 1989: 122), especially as it became a necessity at the time in order to facilitate the development of oil fields for APOC.

5.1.2.1 Control of Budget

In the beginning, the priority for London was to organize the budget. The British authorities assigned advisor Plant to establish and regulate the financial management of

[52] Letter from the Foreign Office to Bernard Burrows, No. 125 24, July 1953, FO371/104270/EA 1053/8

the sheikh and to monitor the payments that were made to the sheikh of the two oil companies without the knowledge of the British authorities. In fact, the British administration wanted to know all the sources of the sheikh's financial income and where it was spent and tried to control Ali's policy. After that, the British authorities pressured the two companies to not provide such sums without prior consultation with them, so that nothing would escape their control, which led the company to send copies of the cash transfers to the British Political Resident in Bahrain[53]. Philip Plant, in an agreement with the ruler, established in 1950 a budget setting for limits and differences between public and private returns and agreed to allocate a quarter of the income to the financial reserve fund to be spend on infrastructure and public utilities projects. The 1950 budget allocated significant amounts to develop the administration in the areas of the judiciary, education, security, public health, public works, transportation and the municipality. (Al-Kuwari 1978)

In 1952, a new financial advisor, Geoffrey Hancock, was appointed as a substitute for his predecessor, due to the large number of complaints concerning Philip Plant's lack of experience in financial management. Hancock succeeded in establishing the new financial system for Qatar's accounts and managed its funds with the help of specialized British companies (Crystal 1989: 123). Thus, government departments and sections were organized to accommodate the new accounting system. The first budget of September 1953 was published as an indication of the development of financial management in Qatar. And this novelty entailed other developments, the most important of which was the emergence of the nucleus of the administrative apparatus (Chalq 1989: 46).

[53] FO371/74938, Summary of events in the Persian Gulf for the month of November, dated 2nd December 1949, p.81

Table 2 Revenues and Expenditures 1950-1960

Decade	Year	Total Revenues	Total Expenditures	Surplus/Deficit
1950s	1953		643	302
	1954		4,431	2,669
	1955		8,270	3,830
1960s	1966	19,003	10,936	8,067
	1968	10,393	10,373	20
	1969	5,901	10,433	-4,532
	1970	7,093	10,372	-3,279

Sources: 2 Quoted and adapted from (Al-Kuwari 1978)

5.1.2.2 Security Sector

In the security sector, the British administration has begun to achieve security stabilization by forming a reliable and regular police force headed by a British officer, Cochrane. In the past, the sheikhs depended on guards from the Bani Hajar and Bani Al-Murrah tribes for security. The rulers used them as their own guards, called *"Feddawi"*, and as a fighting force (Chalq 1989: 52). And the sheikh preferred them to the new police. The sheikh was opposed to the police, and he did not encourage Qataris to join this force, which made the majority of this body consist of foreigners. After many attempts by the British authorities to persuade the sheikh to recruit Qataris instead of foreigners (Crystal 1989: 124), the latter agreed to join the police force. The main function of this force was to guard the installations of oil companies and protect the areas of British interest.

Over time, the police authorities increased as the ruler depended on them to maintain order, especially after the development of protests at home and strikes by Qatar Petroleum Company workers in 1950. The British authorities have warned the sheikh of the consequences of the deteriorating situation if he does not confront the rioters with force[54]. If security was not re-established, they threatened, the matter would eventually lead to the withdrawal of Shell's operations from Qatar. This would also discourage any

[54] Records of Qatar, op. cit, p. 328

other company to pay fees for the concession rights at the current rate paid by the Qatari sheikh ruler and the Shell oil company. At the end of the 1950s, the police force accommodated about 1.518 individuals, led by British officers. The security apparatus was not entitled to deal with security issues related to members of the ruling family, since this matter is entrusted to the governor who prefers to use his own guard or his Bedouin followers[55].

After the formation of Qatar's security apparatus, the British administration pushed for the establishment of basic infrastructures, social services and civil rights, which increased under its supervision. In the field of education, a modern primary school was established in Al-Khor, alongside the Qur'anic battalions. In the field of health, several government hospitals were created. The city of Doha was provided with a network of drinking water. Power plants have also been established to supply public facilities and to provide lighting services to the population. The British authorities played a big role in the administrative organization through the Chancellery (Advisory), which was supervising all government departments. The Chancellery includes financial management and personnel management. It also supervised departmental budgets and accounts and issued regulations on financial and personnel affairs[56].

5.1.2.3 Administrative apparatuses

In the early 1960s, Sheikh Ahmad (1960-72) succeeded his father Abdullah upon his abdication. A great shift appeared in the administrative system. It was the period of the emergence and formation of the modern state apparatus. At this stage, the position of the British government adviser to the Sheikh, which was held until then by Chancellor Hancock, was abolished, and the Crown Prince and Sheikh's deputy was assigned to assume his powers (Chalq 1989: 57). During this period, the administration began to progress and improve thanks to modern legislation that frames the relationships between people and organizes society. According to Al-Jaber (2002), the influx of oil revenues helped the growth of state infrastructures and the general labour strikes to which Qatar was subjected during the 1950s helped the growth of the administrative apparatuses.

The Egyptian Hasan Kamel was regarded as the chief architect of most government reforms in the sheikhdom since the late 1950s. Kamel was at the forefront

[55] Ibid. p 720
[56] Ibid. p 595

and acted as legal advisor to draft a series of laws that regulate state affairs according to the needs of the new state structure. Since 1961, a set of laws that regulate the foundations of the state have appeared. These include: the law creating the *Official Gazette*, the Qatar Nationality Law, the Companies Law, the laws governing administration, fiscal policy, and the Labour Law (1962), the Qatar Municipality Regulation Law, the law establishing the Qatar Chamber of Commerce (1963), and the Shura Council Law (1964). Also, legislations related to oil and company affairs appeared as well as regulation regarding foreigners in industry and trade (1965) (Al-Jaber 2002: 433-5). These regulations and laws have contributed to the development of government agencies and the rebuilding of their structure. At the head of the power hierarchy was the ruler, who had judicial, legislative and executive powers in his hands, exercising it himself or through his deputy, who performed the functions of Prime Minister, the Minister of Finance and performed a set of functions and powers (Chalq 1989: 59).

The oil sector was a crucial sector due to its capacity to determine the power structure. The resources from the exploitation of the oil fields were decisive in the evolution of Qatar's state formation and, moreover, allowed for the progressive concentration of power around the Al Thani elite and a small group of collaborators.

In rentier systems, the government's public expenditures are based on the income derived from outside rent, meaning that budgetary policies are largely related to expenses and are aimed at legitimizing the regime. State and oil revenues were joined together as power resources in the hands of a few elites who could control them. Oil incomes guaranteed a degree of social peace through the construction of a state that, while precarious, initially befitted the majority of Qatar's population.

5.2 Domestic Oil Policy: Colonial Oil Policy

Domestically, building state structures under Ahmed and Ali's ruling and the British's patronage had various objectives that were partially contradictory. Some of the primary elites wanted to control the different oil and security sectors, but especially the oil sector, managing the oil revenues according to its interests and priorities. At the same time, Qatari rulers wanted to prevent other actors, such as the merchants from competing inside and therefore from becoming countervailing powers.

5.2.1 Oil Onshore

From 1935 until the mid-1970s, Qatar's oil and gas remained fully owned by foreign companies. Before oil exports started, Sheikh Abdullah merely received 400.000 Indian

Rupees upon signing the agreement and a modest annual rent for the first five years of the concession of 150.000 Indian Rupees and 300.000 Indian Rupees for the sixth year, before the end of the agreement.

The first onshore oil concession in Qatar was awarded to APOC in 1935. In 1939, the first drilling was done at the Dukhan Number 1 field. In 1940, oil was discovered in an area about 1.075 metres under the ground. The rights under this first agreement were subsequently transferred to a company subsidiary created by APOC, which was named Petroleum Development (Qatar) Ltd. (PDQ) by deed of assignment in April 1946[57] to operate the concession. The outbreak of World War II delayed further work until 1947, and the first crude oil export only took place at the end of 1949. The Dukhan field remains Qatar's sole onshore oil field, and accounts for about half of Qatar's total oil production. When commercial production started, a small fee per barrel was added later to the agreement. In 1952, when an agreement was made on September 1 between Sheikh Ruler Ali and PDQ, a new element in the form of revenue sharing was introduced. This agreement amended the original concession of 1935, to extent that the government of Qatar was to receive 50% of the profits (50:50) arising from PDQ's oil operations in Qatar.

In June 1953, PDQ was renamed the Qatar Petroleum Company (QPC) and became owned by a consortium of shareholders:

(1) Royal Duch/Shell Group 23.75%,

(2) Compagnie Française de Pétrole 23.75%,

(3) Near East Development Company 23.75%,

(4) and Gulbenkian Group 5.00%.

On August 17, 1953, a supplementary agreement was made between Sheikh Ali and QPC. This new agreement amended the rate of royalty payment specified in the agreement of 1935. The new rate of royalty payment was fixed at 12,5% of the posted price for crude oil that was exported from Qatar[58]. This improvement of the agreement is mainly due to the pressure exerted by the bloc of oil-producing countries against the IOCs. It was led by Venezuela and Saudi Arabia and was a first step in the process.

---

[57] Organization of the Petroleum Exporting Countries, Selected Documents of the International Petroleum Industry Pre-1966 (Vienna: Department of Information), PP. 106.

[58] Organization of the Petroleum Exporting Countries, Selected Documents of the International Petroleum Industry Pre-1966 (Vienna: Department of Information), PP. 130-1.

Table 3 Qatar Crude Oil Production (Millions Long Tonnes), 1949-1985

Year	Qatar Petroleum Company (Onshore operations)	Shell Company of Qatar (Offshore operations)
1949	80	
1950	1,616	
1951	2,332	
1952	3,245	
1953	3,998	
1954	4,704	
1955	5,362	
1956	5,674	
1957	6,505	
1958	8,092	
1959	7,867	
1960	8,083	
1961	8,249	
1962	8,671	
1963	8,953	
1964	8,802	1,178
1965	9,013	1,784
1966	8,915	4,723
1967	9,070	6,169
1968	9,018	7009
1969	9,366	7390
1970	8,881	8217
1971	10,386	9891

1972	11,367	11493
1973	11,729	15275
1974	10,430	14122
1975	8,257	12482
1976	11,329	11464
1977	10,014	10763
1978	11,108	11525
1979	10,785	12903
1980	10,800	11260
1981	9,930	9018
1982	8,057	7335
1983	7,707	6051
1984	9,359	9449
1985	7,787	6532

Sources: 3 Quoted and adapted from (Al-Kuwari 1978)

5.2.2 Oil Offshore

The first offshore oil concession was granted to two American companies in 1949, the Superior Oil Company (SOC) and the Central Mining and Investment Corporation. After World War II, relations between the IOCs became closer, they formed consortia in different countries and exercised an oligopoly in the oil market from 1950 to 1970. The agreement gave them the right to explore, drill, produce and export crude oil from Qatar's offshore area for a period of 75 years. However, their exploration efforts were unsuccessful and their concessionary rights were quickly surrendered. Later, the concession rights of SOC was acquired by the Shell Overseas Exploration Company (SOEC), which signed an agreement with the ruler on November 29, 1952. Shell acquired exploration rights to most of Qatar's offshore territory and began an extensive exploration program. After successive relinquishments of parts of the concession area to the state of Qatar, the concession area held by Shell was approximately 5000 square kilometres by 1977.

The agreement of 1952 called for the following payments to the government of Qatar[59]. (1) £363,952 on signing the agreement; (2) £75,415 per year till crude oil exports were made; (3) £37,707 per year after crude oil exports commenced till the end of the concession; (4) a royalty rate of 12.5% on the posted price for all crude oil exported from Qatar; (5) a tax commutation of £20,00 per year in return for the exemption from import and custom duties on materials imported by the company; and (6) Qatar income tax of 50% on profits earned by the company increased to 55% in 1970. Sheikh Ahmed blatantly benefitted from a full quarter of Qatar's increasingly massive oil wealth.

In 1960, the field of Idd Al-Shargi and Maydan Mahzam were discovered. Commercial exploitation began a few years later. The largest offshore field, Bul Hanine, was discovered in 1970 and came onstream in 1972. Qatar also has a 50% share with Abu Dhabi in the offshore Al-Bunduq oil field. These areas have very important reserves.

5.3 Global Oil Policy: Oil Major's Oligopoly

5.3.1 Oil Major's Oligopoly

In the period from 1950 to 1970, the transnational oil corporations or "oil majors" were in their prime, controlling and dominating the oil resources of the world. In concrete terms, they had the oligopoly over the oil industry and business, controlled the supply, and imposed the price of oil. The "Seven Sisters" had great technological and financial capabilities and support from their governments: The United States and the United Kingdom.

These oil companies acted in collusion with strict control over power resources in the oil sector. According to Palazuelos (2012), the "Seven Sisters" based their power on the following advantages: (1) they owned most of the world's reserves, production and exportable supply of crude oil; (2) they owned most of the world's refineries, transportation systems and commercial networks for refined products; and (3) they determined almost all terms of trade.

In 1928, in the Scottish city of Achnacarry, oil majors APOC (later called Anglo-Iranian Oil Company, AIOC), Jersey Standard (JS), and Royal Dutch Shell (RD-S) decided to avoid price competition conflicts and to cooperate with each other. The agreement established an "As-Is Agreement", dividing the international oil market between them. It remained in secret until 1952. According to Penrose (1968), the Gulf

[59] Ministry of Finance and Petroleum, Department of Petroleum Affairs, Oil Industry in Qatar 1972, p. 43.

Basing Point System was introduced to maintain existing market shares and, above all, not to compete on the basis of price. Oil majors agreed to fix the sales price of any crude at the price of Texas crude plus the costs of transportation from the Gulf of Mexico to the destination[60].

The function of official prices served to calculate and to fix the amount of royalties and taxes to be paid by the companies to the host governments that had granted them the concessions. With extraction costs of less than $0.2 per barrel in the Persian Gulf, the reference price ($1.5 to $2) was advantageous for the tax revenues of those governments, but much more so for the "Seven Sisters", which shared enormous oligopoly profits. A distribution so advantageous that it eliminated any incentive for downward competition (Palazuelos 2012).

5.3.2 Nationalism and 50:50

5.3.2.1 50:50 and Hostility

In 1948, the government of Venezuela introduced an additional 50 percent income tax to the Income Tax Law, requiring oil companies in the country to share profits 50:50. The Venezuelan government felt encouraged to renegotiate the initial concessions and change the regulation of the oil sector. The aim of the reform was to improve the conditions for the exploitation of the oil resources. The focus of the renegotiation was the 1943 hydrocarbons law that proclaimed the state's right of ownership over subsoil resources, reduced the concession period to 40 years, raised the government's take or share to one-sixth, and imposed a 12% corporate tax on all economic sectors. In 1947, the corporate tax was further increased so that the government take would total 50 percent of oil profits (50:50) (Parra 2010; Mommer 2002).

The Venezuelan decision emboldened the governments and sheikhs rulers of the Persian Gulf to claim the same 50:50 measure to share the profits equally. The claims of the host governments were inherent in the concession system, as the economy and social life of their countries and the political strength of their regimes depended on oil revenues. In the early 1950s, most of the oil-producing countries in the Middle East succeeded in

[60] "Thus irrespective of geographic location, oil products were priced on a cost insurance freight (c.i.f) basis as though they had originated on the Gulf of Mexico that is, based on the US domestic price and the landed price equalized by means of a 'phantom freight rate'" (Stevens 2013:16).

imposing a profit equity system of 50:50 in the oil companies, following the example of Venezuela, although the modes of profitability varied from one country to another. And the acceptance of the oil companies and their governments, especially the United States, was due to the fear of repeating the Mexican experience of nationalization, since it was concerned about the expansion of the Arab national tide and the occurrence of communication between the region and the Soviet Union. This acceptance of parity was confirmed by a US State Department policy paper stating: "Since company retreat is inevitable,...it would seem useful to make the retreat as beneficial and orderly as possible to all concerned" (Yergin 1991: 445-7).

In Iran, the renegotiation of the terms of the concession proved to be more complicated. The Iranian government also advocated a 50:50 profit sharing, although without success. This eventually led to the nationalization of the Anglo-Iranian concession in 1951 and the creation of the National Iranian Oil Company (NIOC). The major concessionaires' oil market oligopoly resulted in the boycott of Iranian oil in the international market, the departure of qualified foreign personnel, and the impossibility of importing the equipment and materials necessary for the operation and maintenance of the projects (Parra 2010; Mommer 2002). The nationalization or expropriation process did not succeed. Great Britain and the United States saw the nationalization process in the context of the Cold War with the socialist power and also saw in it a threat to their interests in the rest of the region, especially Iraq and the countries of the Arabian Peninsula. GB and the US decided to abort this nationalization, which resulted in the CIA overthrowing Iran's Prime Minister Mohammad Mossadegh's government on August 19, 1953. As soon as Mossadegh's government fell, the Shah, who had fled the country at the beginning of these events, returned (Shawcross 1988: 68-70).

In Qatar, the renegotiation of the terms of the concession proved to be less intricate, as we have already mentioned. A new element was introduced in the form of revenue sharing in the agreement of 1952 between Sheikh Ruler Ali and PDQ, amending the original concession of 1935: the government of Qatar will receive 50% of the profits (50:50) arising from PDQ's oil operations in Qatar[61]. During Ali and Ahmed's time, relations with British officials in Qatar and with APOC were controversial. Ali's policy of confrontation with APOC was based on an ideology that was opposed to the low

[61] Ministry of Finance and Petroleum, Department of Petroleum Affairs, Oil Industry in Qatar 1972, p. 43

royalties they received from the exploitation of Qatari oil resources and to British imperialist policy, but leaned toward the Nasser-led Arab nationalism.

In 1958, other developments occurred in the region, represented by the overthrow of the monarchy in Iraq and the enactment of Law No. 80 by Qassim's government in 1960. According to this law, 95.5% of the concession land that had been given to the Iraq Petroleum Company was restored and not developed. This step was a severe blow to the influence of oil companies in the region. Further policies against the Iraqi government followed. The most important of which was to reduce its production in Iraq. In this context, there was an assassination attempt on Qassim's life by US intelligence in February 1960. Afterwards, the US helped the Baath Party to overthrow Qassim's government on February 8, 1963. Despite these serious interferences aimed at changing the government, other laws later strengthened Law 80 and Iraq was able to gradually gain control of its oil wealth (Little 2004).

5.3.2.2 Pan-Arabism

The term "pan-Arabism" does not appear as such in the Arabic language. Instead, the expressions *al qawmiya al 'arabiya* (Arab nationalism), *al wataniya al 'arabiya* (Arab patriotism), *al wihda al 'arabiya* (Arab unity), *al ittihad al 'Arabi* (Arab union) and *al 'uruba* (Arabism or arabity) are used indiscriminately both in academic literature and in the media and political debates to convey the term. According to Ould Mohamedou (2018), pan-Arabism emerged as a political movement in the mid nineteenth century and reached its zenith in the 1960s. Pan-Arabism advocated political, cultural and socio-economic unity of Arabs in the various states that emerged after decolonization, from the Mashreq to the Maghreb. In that sense, it is a movement eminently linked to colonial and post-colonial history. The movement called for Arab unity in the struggle against the colonial powers (Britain, France, Italy and Spain), and was thus inherently anti-colonial and, from the 1970s, anti-imperial (explicitly against US policies in the region).

Arab nationalism has been a cohesive ideological regional system with a high degree of cultural and political integration that pushed states to compete against one other and forced upon them policies that they might not have chosen otherwise. The ideological differences between conservative and radical regimes, say between Kuwait and Iraq or between Saudi Arabia and Libya, had a built-in escalatory logic. If Iraq negotiated a better deal with the companies than Kuwait, then Kuwait had to follow suit. That dynamic was seen at work in the Libyan negotiations with the companies in 1971. As soon as Libya secured favourable terms, other producers made their demands. The "demonstration effect" played a powerful role in this region and was extremely important to the issue of participation and control (See section 6.3) (Ajami 1979: 36).

The nationalism of the Arab Gulf monarchies is a very controversial notion. These countries do not have a 'nationalist' history as understood in other parts of the Middle East such as Iraq, Syria, or Iran. Their emergence as states was not due to a struggle for national self-determination. Rather, the ruling sheikhs of the Arabian Peninsula have tended to use tribal and religious identities to reinforce their internal legitimacy (Partrick 2013).

In 1956, the pan-Arab nationalist movement touches Qatar. Al-Attiyah brothers demand more involvement in government from the British. The Qatari sheikhs attack the role of Abdullah Darwich, Sheikh Ali's principal advisor and a close confidant of the British. Following the fall of the Qassim regime in Iraq in February 1963, a multitude of demonstrations took place in Doha. The mostly Iraqi and Yemeni demonstrators carried pictures of Gamal Abdul Nasser and showed their support for Arab unity. There were other demonstrations in April to celebrate the tripartite agreement signed in Cairo by Egypt, Syria and Iraq, establishing an Arab Federation. Also, the demonstrators expressed their hostility to Western colonialism and its Arab allies[62].

In late 1963, in the wake of the civil war in Yemen and deteriorating economic and social conditions, Nasser pressured the ruling Sheikh Ahmed to provide financial aid to Yemen. Cairo wanted Doha to lend a few million pounds to help the Yemeni people. In fact, Egypt was playing a major role in that civil war. After a long negotiation between the two countries, Sheikh Ahmed finally transferred £100.000 to the Yemeni Bank for Reconstruction and Development[63].

[62] Telegram 217, Luce to Foreign Office, Bahrain, 24 April 1963, FO 371/168851, PRO. (Quoted from (Joyce 2003: 35))
[63] Letter, McKearney to Rich, Doha, 25 November 1963, FO 371/168856, PRO. (Quoted from (Joyce 2003: 35))

Chapter 6 Khalifa’s Control and Oil’s Nationalization Policy

6.1 The Power Structure and Oil: Resource Nationalism and Sovereignty (1972-1995)

The power structure during the rule of Khalifa Bin Hamad (1972-1995) was characterized by the continued concentration of elites and resources. Soft-nationalism, state and oil revenues were joined together as strong power resources in the hands of the sheikh ruler to implement the policy of nationalization of oil and gas. The primary elites in Qatar were organised in a very restricted power centre based around Khalifa Bin Hamad Al Thani’s family and a small group of close personalities and merchants. QP’s nationalisation merges state and resources, where control is exerted directly by the primary elite. Khalifa’s power regime was personalist-unified in the 1970s. There were no boundaries between the sheikh ruler and the state, no clear separation between state institutions; and power was not institutionalized according to Crystal (1989).

Khalifa's rise in the political arena began with the 1963 demonstrations; from that moment onwards, he and his allies began to take on more and more public tasks. This led him to assume more tasks than Emir Ahmed Bin Abdullah who was in charge of managing state affairs in the late 1960s (Crystal 1990: 155). Sheikh Khalifa ousted Ahmed from power in a bloodless coup in February 1972. Emir Khalifa's personalist control manifested in the structure of his government, which was subdivided into 10 ministries in an attempt to control policy and to further centralize decision-making as well as to accumulate power and influence. His predecessor, Emir Ahmed, ruled with a horizontal organizational structure with 33 major departments, reporting directly to him. Emir Khalifa controlled all government decision-making in all areas and at all levels, particularly in the oil sector. According to a report of (Economist Intelligence Unit 1978) on the Gulf states, the magazine wrote about Khalifa’s regime that “*For several years there has been some criticism of the efficiency with which business at the highest level is conducted. It has been pointed out that the ruler, while working hard and conscientiously, had tended to allow the administration to get over-centralized. Most paperwork is expected to pass through his hand, and it has even been said that when he is away cheques for contractors and oil companies are not signed*”(quoted from Fromherz 2012:).

6.1.1 Oil Nationalism and “Permanent Sovereignty”

The notion of “permanent sovereignty” over natural resources (oil nationalism) and the dynamic of pan-Arabism are the two main driving forces of the national control of Qatari petroleum resources. The two factors, nationalist ideology and sovereignty, explain the motivations for the oil and gas control policy adopted by the Qatari governing elite in the 1970s.

6.1.1.1 Oil Nationalism

"Oil nationalism" is a compound expression used to refer to the control of resources by the state. Other terms such as "resource nationalism" and "energy nationalism" are used in the academic literature and in the media to refer to the same idea. According to energy scholar Mabro (2007), the "oil nationalism" may be considered "a generic label that hides (due to its generalization) more than it reveals". The author mentions the fact that in the 1920s, European countries such as France, Spain and Italy had established their national oil companies. So, government intervention in the oil industry is not an exclusive prerogative of Third World country production (Peigo & Ruas 2015). But Mabro restricts his explanation of "oil nationalism" to Third World oil producing countries, using the examples of Venezuela, Bolivia and Russia. Therefore, his definition of the term is incomplete and cannot be generalized to be applied at the global level. Mabro (2007) bases his analysis on the tense relationship that always existed between oil producing countries and international oil companies and that expropriation and unilateral changes had always existed in the oil industry. In this sense, he highlights three main causes of "oil nationalism": (1) Government intervention in the oil industry (is not an exclusive prerogative of producing countries); (2) Market inefficiencies (contractual friction) and differences caused by the heterogeneity of economic and political power among the players involved in the negotiations: and (3) changes resulting from historical factors (Mabro 2007).

6.1.1.2 "Permanent Sovereignty"

The notion of "permanent sovereignty" of the UN Declaration on the Establishment of a New International Economic Order[64] postulates sovereignty over natural resources as an "inalienable right". It asserts that every state should have:

"Full permanent sovereignty of every State over its natural resources and all economic activities. In order to safeguard these resources, each State is entitled to exercise effective control over them and their exploitation with means suitable to its own situation,

[64] United Nations (1974). "General Assembly Resolution 3201 (S-VI): Declaration on the Establishment of a New International Economic Order", and "General Assembly Resolution 3202 (S-VI): Programme of Action on the Establishment of a New International Economic Order", Official Records of the General Assembly: Sixth Special Session, Supplement No. 1 (A/9559) (New York: United Nations), pp. 3-12.

including the right to nationalization or transfer of ownership to its nationals, this right being an expression of the full permanent sovereignty of the State. No State may be subjected to economic, political or any other type of coercion to prevent the free and full exercise of this inalienable right" (Assembly 1974).

Resolution 1803 (XVII) of December 14, 1962, issued by the United Nations General Assembly recognized the right of the state and the people to full permanent and national sovereignty over their national resources. This traced a particularly important moment in the history of oil because the states that hosted the oil operations of major corporations had received little of the profits derived from their national wealth. The UN resolution encouraged the states in question to control and manage their own resources and to exploit them for the benefit of their people and the development of the country.
This Resolution highlights two categories of rights: property rights and control rights. According to Sarbu:
"While the state—on behalf of the people—is the sole titular of the former, in the case of the latter—as in the rights to explore, develop and produce the resources—the state can decide to either retain them or grant them all or parts thereof to third parties such as privately-owned foreign oil companies. Consequently, while state ownership has become the default among oil producing countries worldwide, state control over oil resources spans the full register from nil to 100 percent". (Sarbu 2014)

Resolution 1803 (XVII) on "permanent sovereignty" was a consequence of the creation of the Organization of Petroleum Exporting Countries (OPEC) that accelerated the process of nationalization of its members' natural resources. The objective was to control and collect more income from the oil industry monopolized by the "Seven Sisters". Many producers' states led by OPEC, were increasingly using control of natural resources to advance policy goals. For Mughraby (1966), the dynamics of sovereignty and economic nationalism had been highlighted since the 1950s and this fact constitutes the main reason for the participation and intervention of the state in the industry. Socialist ideology entered the oil and gas resources and consequently the hydrocarbons became the basic objective for state ownership and control. Mommer (2002) argues that the direct control of resources is a fundamental characteristic of the sovereignty of a nation and political decision making. The ideologies of the state elite were a fundamental aspect in the control of the NOC (Auty 1990). For the government, forming the NOC can help to promote and control economic development, redistribute income, and advance national pride.

6.1.2 Oil-Driven State Formation

Khalifa directed oil revenues to form the state as second resource of power. In the 1970s, the formation of the modern State of Qatar was configured and the Al Thani power elite was consolidated. The oil and its revenues were the driving force of the transformation of the political, societal and economic organization of Qatar.

The development of oil had a major role in the development of the Gulf emirates as political entities that were at the same time autonomous and independent. The study of the formation of the political geography of the Arabian Peninsula reveals the role of Britain and the oil companies in the delimitation and demarcation of the borders. Research in Gulf studies concludes that the factors that have designed borders have intersected in three issues: Strategic and British diplomacy, the whereabouts of the oil, and the leadership of the sheikh and the scope of tribal loyalty to him (Khatib 2007: 117).

Khalifa opted to reorganize the government by reducing ministries and departments and by replacing the former Sheikh Ahmed's elite with his own. This new family-oriented elite would help him recruit notable Qatari allies and establish a network supporting the sheikh's power. One son became finance and oil minister; another commander-in-chief of the army; another deputy commander; a brother became interior minister; and a nephew became police commander. As he consolidated his power and control over resources and the Al Thani family, the time came to appoint his son Hamad bin Khalifa as his successor and heir.

In the 1970s, the new political, economic and social context required new administrative structures to take charge of the management of public affairs and the distribution of wealth. The oil revenues gave the ruling sheikh the resources to introduce new targets. These objectives in turn catalysed the formation of a relatively large bureaucracy. The state is the first employer of the nation's workers and its proverbial cradle-to-grave welfare system touches everyone's life. The welfare and development policies that Khalifa chose, in turn catalysed the bureaucracy. The administration exercises jurisdiction over the Qatari population and bureaucrats find space to develop their potential to better position themselves in the centres of power, social relations and political ideals and objectives. This gain of bureaucrats and other intermediaries could mean the loss of control for the ruler over the population, especially if this bureaucracy was disloyal (Crystal 1990).

6.1.2.1 Independence

In early 1968, the Pax Britannica announced its decision to withdraw from the Gulf states and set 1971 as the date for its withdrawal. Britain had been present in this territory since 1920, to control the sea route and to ensure communication and trade with its colonies in Asia (See Chapter 2). Now, it attributed the reason for his withdrawal to the fact that Britain's presence in the Gulf region was no longer appropriate or acceptable. we must recall that Britain signed the protection treaty with the Sheikh of Qatar, Abdullah bin Qasim, on November 3, 1916. This treaty consisted of eleven articles according to which the Sheikh of Qatar undertook not to grant any concessions or establish any foreign relations except with the approval of the British government (Chapter 3). Despite this, Qatar attained its independence peacefully. The declaration of independence announced by Khalifa bin Hamad on a television broadcast on September 3, 1971, gave way to the promulgation of the constitution and the formal termination of treaties with Britain. A new Anglo-Qatari treaty of friendship and cooperation was then forged, expressing the continuation of friendship and cooperation between the two countries (Zahlan 1979: 111).

6.1.2.2 Developing Policies and Public Administration

6.1.2.2.1 Developing Policies

Emir Khalifa's public policies marked a rupture with the poor legacy of his predecessor Ahmad. During Khalifa's tenure there were several economic, social and political changes that occurred as a result of the oil industry's revenues. Khalifa came to power with significant experience in public affairs and was already prime minister. He led the oil security, the civil courts, the education department, and the finance department. The ruler gave priority to health, education, employment and redistribution of wealth; and invested a large financial budget in these policies that would benefit the less wealthy Qataris.

6.1.2.2.1.1 Health and Education

Khalifa accelerated the implementation of a rapid health policy and an effective health workforce to cover basic care services and to prevent the Qataris from going abroad for health treatment. In 1959, the first state hospital was opened, followed by a maternity hospital in 1965**.** The educational installations had grown considerably in the 1970s to create a new class of people accompanying the economic changes that the country was experiencing. These were educated citizens employed in fields such as education, engineering, medicine and many other occupations that did not exist in Qatar before the discovery of oil. Qatar University, created in 1973, was the institution that educated and created the Qatari elite, and who would later be integrated into the public administration and other institutions taking command of the different positions of the state.

6.1.2.2.1.2 Public Employment

Many different professional occupations and careers were created in support of the oil industry. Factories and other related industries emerged in Qatar. Additionally, the state began to use oil revenue to build infrastructures, transportation, and other important civil services. Accompanying these economic changes was the creation and development of a new skilled class of Qataris. Khalifa adopted a very extensive policy of working for the Qataris to favour the demands of the citizens, and thus, expanded the state bureaucracy. With the administrative reform and reorganization, programs were introduced for training and incorporating Qataris into civil service positions. In this way, the presence of natives in the administration was increased, reaching 13% of the total work force of state employees, which amounted to 11,719 people during 1971. Two-thirds of state servants were Qataris but they were concentrated in lower-skill jobs (Quoted from Crystal 1990: 155 (UN 1972: 83-4)).

6.1.2.2.1.3 Redistribution of Wealth

Khalifa reviewed the division of income and decided on a new redistribution of wealth. According to Crystal (1990):

> "He transferred the ruler's quarter to the state budget, almost half of which now went to public services. Popular measures included a 30 per cent increase in social aid, a 20 per cent raise to the armed forces and civil servants, and a 25 per cent increase in old age pensions. The Emir cancelled outstanding public housing payments, and within a year 2500 new, free housing units were built. Khalifa also introduced price controls on consumer goods and set up subsidized food cooperatives".

This decision made him confront the sheiks of the Al Thani family, forcing them to reduce the high expenses of their luxurious life. With Sheikh Ahmed the Al Thani family enjoyed a full quarter of the state budget (Al-Kuwari 1978).

6.1.2.2.2 Developing Public Administration

In other moves both to consolidate his position and to introduce a greater measure of efficiency into the administrative system, Sheikh Khalifa increased the salaries of the civil service and armed forces and terminated the previous practice whereby a quarter of the sheikhdom's oil revenues went directly into the coffers of the ruling family. This portion of the country's wealth was then allocated to the government Treasury. One of the most important areas of government reform was the decentralization of administrative authority through the establishment of municipal councils. In addition to Doha city established in 1968 as capital of Qatar, Sheikh Khalifa founded three other municipalities, Al-Khawr, Al-Wakrah and Ar-Rayyan.

With British and Egyptian assistance, a number of comparatively modern government ministries and departments were established prior to the achievement of national independence. In the mid-1970s, these were regarded as among as the developed administrative bodies in any of the lower Gulf sheikhdoms (Almalki 1989). The most important public institution engaged in decision-making, apart from the ruler, was the Council of Ministries, or Cabinet, which includes the following ministries: Foreign Affairs; Finance and Petroleum; Education; Interior; Justice; Commerce, Industry and Agriculture; Electricity and Water; Communications and Transportations, Labour and Social Affairs. In addition to modernizing the executive apparatus, a substantial body of legislation has been enacted –all by decree of the ruler- including the framework for the judicial system comprised of Islamic, mixed and labour courts, the implementation of the labour code, and the adoption of a provisional constitution. Upon administrative, political and economic reform, different Arab and foreign individuals and entities intervened as expert advisors, each issuing reports and recommendations to the sheikh.

Table 4 Qatar's Government Revenues and Expenditures MQR

Decade	Year	Total Revenues	Total Expenditures	Surplus/Deficit
1970s	1971	945	643	302
	1975	7,100	4,431	2,669
	1979	12,100	8,270	3,830
1980s	1980	19,003	10,936	8,067
	1985	10,393	10,373	20
	1986	5,901	10,433	-4,532
	1987	7,093	10,372	-3,279

Sources: 4 Qatar Ministry of Finance and Petroleum, State Closing Accounts, 1970-87 (Doha: Financial Affairs Department, 1988) (quoted from (Almalki 1989))

The policies carried out by Sheikh Khalifa led to the expansion of the bureaucracy and raised issues of coordination and efficiency. The sheikh's family's intervention in public affairs weakened his control over state institutions and the bureaucratic system. Also, Khalifa have used bureaucratic posts as sheikhly sinecures. According to Crystal (1989) the bureaucracy growth was largely uncontrolled. In the early 1970s one observer described it as follows:

"Continuous enlargement of government and the extension of its functions and services led to the growth of administrative units. [This however] occurred without adequate efforts to coordinate them with each other or with already existing departments. This proliferation and fragmentation of governmental activities resulted in poor coordination and not infrequent duplication . . . the administrative structure of Qatar was composed of 33 major departments, all placed at the same level and reporting directly to the ruler . . . Since similar and related functions and activities were not grouped together . . . the number of separate units was relatively large and, hence, the span of control of the ruler became unduly wide and difficult". quoted from (Crystal 1989) (Sadik and Snavely 1972: 158).

The unplanned development of the public administration in its human resources dimension led to a lack of control and an expense for the budget of the new state. In 1986 "32,549 people worked for the state in thirteen ministries and fifteen large departments, councils and committees. Employment in the state is clearly a form of welfare: 44% of them were Qatari, almost half of whom were illiterate or could barely read and write" (Qatar, CSO 1987: 56, 62). This lack of control over the development of the bureaucracy was a disturbing obstacle to the exercise of power by Emir Khalifa, who tried to solve it but without much success. A US embassy official observed in 1983:

"Individuals are more important than institutions in Qatar, and personal relationships among. Government officials often carry more weight than lines on an organization chart would suggest. Most government agencies are highly centralized; authority to commit funds is in the hands of a relatively small number of individuals and is rarely delegated. One result of this lack of institutionalization can be that decisions are often delayed if the responsible individual is away from Doha or preoccupied with other matters." quoted from (Crystal 1990: 160) (US Embassy, Doha, "Doing Business in Qatar," 1983: 1)

The emir's personalist and autocratic control increased in public affairs and society once the failure of the administrative bureaucracy was demonstrated for various reasons, including the intervention of the family in the processes of public administration.

Emir Khalifa controlled decision-making of all branches of government and dominated especially issues concerning the oil and gas industry and finance. According to a report of The Financial Times, “money supply is strictly controlled by the Emir in such a personal way that bankers claim to be able to tell when he is on holiday, through no other way than the effect that three weeks of his now signing any cheques has on liquidity” (16 February 1981, III: 2). Khalifa himself personally signed all checks over $50,000 (MEED, August 1983: 27).

In short, the oil resources were the most important factor that led to the formation of the State of Qatar and helped to crystallize its structures and later, its modernization. According to Crystal (1989):

“Oil revenues have allowed rulers to create new state institutions, but bureaucracies are never neutral. As these institutions grow in size and complexity, they are becoming less amenable to control through ruling kinship networks. The ruling houses and the state administrations, though coexist and exercise jurisdiction over the same populations, are not identical”.

6.1.2.3 International Status and National Identity

6.1.2.3.1 International *Status*

After the achievement of the political structure of Qatar as an independent state, the ruling elite accelerated Qatar’s opening up to international organizations and developed diplomatic relations between their country and other states. The Emir rushed to keep pace with external developments and to join regional and international coalitions. It joined international organizations such as the UN in 1971 and was involved in setting up the Gulf Cooperation Council a decade later.

One of the clauses of the colonial British-Qatar Treaty stipulated the ban on dealing with any country without Britain’s approval. With the independence, Qatar began to expand its international relations like its counterparts from the Arab Gulf states, especially in the economic and political sphere. There was a rush at the same time and global interest to open up to the Gulf with the aim to gain a foothold there for the sake of economic exploitation, which had to be accompanied by political activity.

Likewise, the United States of America and Japan were at the top of the countries that jumped onto the Gulf arena in order to obtain more economic privileges, especially in the field of oil. The Gulf states, through their economic openness, sought to benefit from the experiences of those countries in the field of infrastructure modernization and administrative organization. Qatar progressively established official relations with other countries, as the United States of America entered as a competitor to Britain and the Gulf states became an important market for global producers, such as Japan. In addition, the Gulf countries turned their savings towards foreign banks and started buying shares of companies of importance (al-ʿAqqad 1992).

In the long run, oil has also created new international interdependencies as the state came to rely on foreign markets for capital, labour, and goods. The variety of choices, the range of options and the things that oil money could buy were factors that initially masked the growing dependency on foreign powers and markets (Crystal, 1990).

6.1.2.3.2 National Identity

In the 1970s, the state began to crystallize in the shadow of the tribal structure and appear as an official, recognized entity. After the economic pattern changed in society, many new aspects that did not exist before followed it. Signs of modernization began with the help of foreign workers alien to society. And later, oil workers took part in the construction of a Qatari identity and the multi-ethnic foreign presence in the modern Qatari society became a reality. As oil resources began to revel in society and change it in a rapid manner, the modern political entity came to light, but tribal structures were not dissolved and remained in place. Perhaps what distinguishes this stage from previous ones was the recognition of state entity under the prevailing tribal system in the Constitution itself. The influence of the tribal structure on the nature of the state continued to be evident. This has been reflected in the form of government, as the nature of government in Qatar is hereditary and all tribes of Qatar gather round the ruling Al Thani family.

The state in Qatari society had a peculiarity that differed from its counterparts in Third World countries and the countries of the Arab world. The states were built on a Bedouin tribal legacy, producing several contradictions (Jaber Al-Ansari 1970). However, the state in Qatari society has succeeded in settling the Bedouin tribes and submitting them to state institution. The state has interfered in all aspects of the community life of individuals. Its roles and functions also evolved according to the changes in society, as it interfered in the economy and developed its mechanisms, established schools in an illiterate society or took an interest in health and other aspects of life. Perhaps what counted for the state in Qatari society was its ability to integrate the Bedouin tribes into state institutions and to organize the affairs of society and keep pace with the rapidly occurring economic, demographic and social transformations and changes.

The process of state formation provided Khalifa with a way to consolidate the resources of identity, culture and ideology as state symbols that should be respected by different individuals and Qatari tribes; and to respect the flag, the currency and the national anthem. In 1973, under Khalifa rule, the first National Museum was built. This reflects an attempt to build and develop cultural heritage and personal legacy for future generations. Khalifa wanted to project a new image of a modern state that conserves its national identity in respect of Islamic and Arab traditions. The leader mixed the elements of modernity and tradition between Bedouin/urban and old/modern. In 1975, the Qatar National Museum (QNM) was established, focusing on the geological origins of the Qatar Peninsula, archaeological artifacts and life of the Bedu people. In 1973, the British archaeological expedition's chronicler described its mission about the Khalifa's museum project:

"In terms of the Museum project the immediate need was to provide a broad chronological framework to give meaning and coherence to Qatar's past by using, and wherever possible extending, such limited material as was already available. This fact needs to be stressed because it explains the number and unusually wide range of projects undertaken and described in this volume as a means of recovering as much evidence of Qatar's past as possible in a relatively short time" (De Cardi 1978: 163).

It was built using the old palace of Sheikh Abdullah Bin Qassim Al-Thani dating from 1901, as the heart and centrepiece of the museum. The QNM linked and established a dialogue with Sheikh Abdullah's legacy but also with the whole lineage of the Al Thani family.[65] The museum was an important initiative defining Qatar's basic history.

6.2 Domestic Oil Policy: Control, Nationalization and "Open House"

Nationalization policy in the O&G sector does mean expropriation. And expropriation is different from direct control, as it is an event in time, and as long as nationalization is a policy in the long term (Sarbu 2014)**.** Many scholars argue that profit considerations motivated the governing elite to expropriate the IOCs (Guriev *et al.* 2011; Kobrin 1980, 1984; Duncan 2006; and Luong & Weinthal 2010). Nationalization is just one means to increase control over the oil upstream sector (Kobrin 1980, 1984:329). Warshaw (2012) analyses forty-nine major oil-producing countries from 1965 to 2006; and he finds that autocratic regimes with weak checks and balances are systematically more likely to

[65] The Museum also linked the Family Al-Thani to all the other pasts displayed within del monument: the stone age, the nomadic days, the Islamic era, the pearling days, the oil boom, the state projects, exhibits poems of Sheikh Qassim the founder of the dynasty and photographs of the ruling Al Thani family.

nationalize their oil industries than democracies, and state leaders focus on providing benefits to a thinner circle of elites.

The objective of Qatar's political elite when making decisions about the measures of nationalization of the O&G industry is the national [and transnational] accumulation of power. In other words, to retain power and political control at the national level. The statistical study of Warshaw (2012), underlines that four expropriation events took place in Qatar (1972, 1974, 1976 and 1977). The decision to expropriate foreign firms and to nationalize natural resources is incentivized by the net benefits that elite leaders expect from the expropriation compared with keeping investments in private firms. Controlling decisions at the NOC allows the ruling elite, like Khalifa Al Thani, independence to further his political agenda (Banerjee & Munger 2004; Li 2009). The elite took the decision to create the Qatar Petroleum Company (QPC) to control natural resources. The nationalization of natural resources made it easier to meet the international commitments of Qatar as an OPEC member. The state commands its NOC to comply with production quota estimated at 10%. In this way, the government had direct control over production and depletion policy and QPC's capacity and behaviour.

6.2.1 Gradual Nationalization Policy: 4 Steps

6.2.1.1 Step 1972: QNPC's Creation and 25% Participation

The Qatar National Petroleum Company (QNPC) was established by Law No. (13) of 1972. QNPC's creation was the result of the government's participation in the QPC and SCQ oil concessions. Previously, the government only participated with 50% of the net profits, according to the 1952 agreement between the consortium of international companies and the Sheikh of Qatar. And in December 1970, the percentage of profits was raised to 55% for the "take-over" of the government (Al-Kubaisi 1984: 105-7).

In 1973, for the first time, the government acquired a 25% share of the assets in each oil concession, in both QPC's onshore concessions and SCQ's offshore concessions. This event was considered a major change in the relationship between the parties, and a fundamental step for the government of Qatar to participate in the development of the country's oil industry.

6.2.1.3 Step 1974: QGPC's Creation and 60% Participation

On February 20, 1974, the state increased its stake in QPC and SCQ to 60%. The government created the Qatar General Petroleum Company (QGPC) by Decree of Law No (10) in 1974, in accordance with the proposal to assume all hydrocarbon resources of the country and related activities. This decree transferred the jurisdiction of the QNOC to the QGPC. The QGPC was created in the context of the oil embargo, when the 13 members of OPEC tried to increase their relative power in relation to that of the International Oil Companies (Seven Sisters).

The national mission of QGPC was to develop the oil industry both at home and abroad. This included the following functions: (1) Exploration and extraction of oil and natural gas; (2) Production, refining, storing and distribution of oil, oil products and by-products; (3) Contracting with international firms for marketing abroad. In addition, the state-owned company QGPC was empowered to perform its functions, among which were: 1) Establishing auxiliary companies, independently or jointly; 2) Acquisition of or participation in existing companies; 3) Contracting with other companies or bodies which are involved in similar works, or which may help in achieving its objectives; the corporation may participate in any manner with such companies or bodies, or may purchase from or be affiliated with them; and 4) to carry out all legal matters necessary to perform its operation.[66]

QGPC is a state-owned company dependent on the government, following the directive of the Council of Ministers, with an initial capitalization of one billion QR, which has since increased several times, reaching four billion QR on July 2, 1980.

The Emir passed Resolution No. (6) in 1974 appointing the QGPC Board of Directors in accordance with Article (9) (1) of Law No (10) of 1974. The Board comprised seven members [67], headed by the Minister of Finance and Petroleum. Three of the members belonged to the same ministry, while the other three were the State Adviser (as Vice Chairman), the Director of the Emir's office and the Managing Director of Industrial Development Technical Centre (IDTC)[68]. In terms of the composition of the board of directors, the company resembles a family firm. The majority of the board is composed of members of the ruling Al Thani family, and lead by Sheikh Abdelaziz bin Khalifa Al Thani, Minister of Finance and Petroleum and second son of the Emir Khalifa.

---

[66] QGPC: Qatar General Petroleum Corporation, OPEC Bulletin Supplement, Prepared by the Secretariat of the OPEC, vol. X, No. 49/50. December 10/17, 1979

[67] The members of the Board were increased to nine members in 1980. The two additional members are the Deputy Managing Director of QGPC and the Assistant Director of the Office of the Minister of Finance and Petroleum.

[68] Ministry of Justice, op. cit., p.368. (Ministry of Justice, Collection of Qatar's Laws 1962-1975, Legal Affairs Department, Qatar National Press, Qatar Vol. l, p.368.)

The board has the right to assume all responsibilities for the management of the oil company, with the exception of the following matters which must be approved by the Council of Ministers: a) Obtaining internal or external loans, b) Establishing auxiliary companies independently or jointly or participation in existing companies, c) Practising exploration and drilling of oil and gas operations.

On February 8, 1975, the Council of Ministers issued Resolution No. (1) of 1975, transferring all remaining rights and assets of the foreign oil companies (QPC and SCQ) to QGPC. Therefore, QGPC became the development agent of the oil industry, leaving the Petroleum Department of the Ministry of Finance and Petroleum without any operational function in the industry. In addition, QGPC had the right to establish all types of industries related to the oil industry in accordance with Article 4 of Law No. 10 of 1974.

6.2.1.3 Step 1976: 40% Participation

Qatar signed an agreement on September 16, 1976 for the take-over of the remaining 40% of the Qatar Petroleum Company and the Shell Company of Qatar[69]. The oil companies were given first preference to buy 60% of the oil companies were also given first preference to buy 60% of the oil output of the government-owned Qatar Petroleum Company. At the time, British Petroleum, the Compagnie Française des Pétroles, and Qatar Oil (Japan) are involved in oil exploration. Also, Shell is still involved in providing managerial services and technical assistance to QPC.

In 1976, QGPC took control of QPC's onshore concessions and took similar action in relation to SCQ's offshore activities the following year. QGPC established the Qatar Petroleum Producing Authority - onshore and offshore - to carry out all oil operations, including exploration, drilling, production, processing, developing, transporting and storing, whilst marketing is held by QGPC.

6.2.1.4 Step 1977: 100% Participation and "Open House"

In 1977, QGPC took total control of the Qatari petroleum industry and finalized the nationalization process. The last step in the acquisition of full control of the remaining 40% stake in the capital of SCQ was taken on February 9, 1977 under an agreement between SCQ and the government of Qatar, giving the government 100% ownership [70].

---

[69] Ministry of Finance & Petroleum, Oil Industry in Qatar 1976, Petroleum Department, Martins Press Ltd. England, 1977.

[70] In late 1980, an announcement came from the Emiri Palace declaring the amalgamation of QPPA (Onshore and Offshore) with QGPC.

SCQ was to receive a payment of £14.12 million as compensation from the government within 30 days. The government of Qatar and the owners of SCQ signed a crude oil sales contract under which the government was to sell 145.000 barrels per day to the owners of SCQ at a price determined by the government of Qatar. The price was to be based on OPEC decisions. This sales contract was for a period of five years and was effective on July 1, 1976 and subject to renewal if none of the parties involved requested termination with a six months' notice. The amount of crude oil specified in the sales contract could have varied by 10% plus/minus annually (El Mallakh 1979: 52).

QPC and SCQ established, pursuant to Article 4 of both agreements, two service companies (Dukhan Services Company wholly owned by QPC; and Shell Services Company wholly owned by SCQ). QGPC would provide these service companies with a service fee, which at the time of the agreement was 15% per barrel of oil produced in the onshore or offshore fields and the right to purchase 275 thousand barrels per day at the official price until the end of the agreements, which lasted five years from 1977 onwards. The service agreements were changed in the early 1980s to 20% per barrel produced, which would increase to 22% from the beginning of 1981, but without the right to buy any crude oil from Qatar.

QGPC, however, has several subsidiaries, either wholly owned, such as QPPA Onshore and Offshore, and the National Oil Distribution Company-NODCO (WAQUD currently); or partially owned, such as the Qatar Petrochemical Company (QAPCO), with an 84% stake in the corporation and the Qatar Fertilizer Company (QAFCO) in which QGPC holds 70% of the common shares and 100% of the preferred shares. The corporation also has interests in Arab and foreign joint ventures, in which QGPC holds 18.3% of the shares of the Arab Ship Building & Repair Yard Co. (ASRY) (El Mallakh 1985).

The nationalization policy of the Qatari oil industry did not mean that the door was closed to foreign companies. In fact, as we have noted above, QGPC signed service agreements with foreign oil companies. According to Ajami (1979: 36) Qatar remained open to international investors outside the oil sector, offering an attractive and friendly environment for multinational companies. The small state is considered an "open house" for foreign companies. It is also influenced by the economic policies of its largest neighbour Saudi Arabia and the United Arab Emirates. The reason behind the government's openness was its interest in foreign expertise and capital to grow the different sectors of the economy and to respond to the challenge of diversification. In this sense, the multinationals participate in the development of the steel industry and French companies in the petrochemical sector. American and other multinationals are involved in desalinization projects, the fertilizer industry, and cement manufacturing.

However, the other version of the cooperation's issue between the Qatari state and foreign companies is the failure of nationalization policies. According to Mabro: "Some countries found that contrary to previous expectations, their NOC was not equipped with the skills and other resources to perform adequately. Foreign oil companies were invited back to Qatar, Algeria, Venezuela and even Iran" (Mabro 2008).

6.2.2 QP as Instrument of Control and Agent of Development

6.2.2.1 National Mission and Objectives

Qatar Petroleum is the executive arm of the state to manage the energy and manufacturing sectors. Under its umbrella, there are a number of companies owned by it or in which Qatar Petroleum contributes to varying degrees. The national mission is an integral part of the objectives of Qatar Petroleum. The national mission is the basic characteristic that distinguishes between national oil companies and international oil companies, in addition to the method of decision-making that takes place in specific ways. Likewise, there is a fundamental difference in resource exploitation between them. The national oil companies seek to preserve the wealth and the country's prosperity in the long run, while the international oil companies intend to multiply profits and financial returns by maximizing production levels in the short term (Wolf 2009 ; Myers & Lahn 2006).

Qatar Petroleum is charged with preserving and developing oil and gas resources. The company manages all operations, from extraction, refining, transportation to marketing. These processes are global. There are several related elements between the State of Qatar and its National Petroleum Company. The intertwining relationship is mainly due to the two tasks entrusted to the company: the commercial mission and the national development. This means that the national company must increase profits to rise revenues for the state's Treasury, which qualifies a country to achieve its national development goals that promote stability and a decent standard of living. In addition, Qatar Petroleum must contribute to human, social and economic development. This dual mission is shared by Qatar Petroleum with its National Petroleum Corporation counterparts in the world. However, the differences with other international oil companies lies in their absence of a national mission. Their national duty is restricted to complying with national legislation and tax law. For his part, QP must contribute to social projects through the company's social responsibility programs to enhance its investments and its image in society.

The State of Qatar determines the National Petroleum Company's objectives, perception, scope and mode of operation through the Economic Council of Economic Affairs. These objectives include several elements, the most important of which are: Securing national control over oil resources; Supporting national economic development policies; Securing energy access to citizens' homes; Promoting special social enterprises in areas of operations; Engaging in foreign policy as a tool in energy diplomacy to improve the image of the State of Qatar as one of the largest international companies in the field of gas and oil.

6.2.2.2 QP as Controller of National Hydrocarbon Wealth

The Qatar Petroleum General Company was established in 1974 to nationalize the oil industry and impose control over domestic oil and gas resources. The nationalization phase was a historic and pivotal moment in the history of the Qatari oil industry. The state took advantage of this wave to establish Qatar Petroleum and was determined to assert its national control over hydrocarbon resources and to control decisions related to production rates, development, sales, and thus, to secure the state's income.

Starting in the 1960s, the wave of emergence and nationalization of the national oil companies was a great victory for the oil-exporting countries. The nationalization of oil resources represented for the government of Qatar the full and permanent sovereignty of the state over its resources and provided it with decision-making power and independence in managing its wealth. Thanks to the national company, Qatar was able to control the energy sector and its political goal was to free its resources from the grip of foreign companies that had a low popularity in the country after the independence of Qatar in 1974. This nationalization was seen as a national victory for the state and the people.

The establishment of the General Company of Qatar Petroleum was an essential element in extracting oil and gas and determining the exported quantities and their prices. Between 1965 and 1976, the National Petroleum Corporation was able to change the balance of power *vis-à-vis* the international oil companies. National oil companies are used to monitor international companies, according to Mughraby (1966). Also, national oil companies control national resources. The pursuit of OPEC countries, including Qatar, which entered the organization in 1961, has led to an increase in oil prices and a change in commercial dealings in the sector. National companies were entrusted with oil production and exports despite their lack of experience and means. Thus, they were able to gradually raise the level of national control which enabled their governments to set the price unilaterally. Qatar and all the oil-exporting governments faced several obstacles and challenges on several levels: the passage of oil and its marketing in the importing countries, and this was due to the replacement of the oil-extracting concessionaires, and the national oil companies made the process of their governments controlling oil and gas reserves and its production possible.

According to Bentham and Smith (1986), most NOCs are described in their constitutions as agents for the nation in the exercise of its rights over petroleum, and all aim to secure a direct state interest in the exploitation of the nation's resources and knowledge of the industry itself. They argue that the majority of NOCs enjoys privileges such as monopoly powers and exemption from certain forms of taxation. The work of the two authors is based on the analysis of the formal statutes and regulations governing NOCs from 17 countries, including Qatar as a case study.

6.2.2.3 QP as Agent of National Development

QP's second national mission is to promote national development and economic growth through the maximization of links and channels with the hydrocarbon industry, especially in financial and productive aspects. The State of Qatar depends on its national company for the sustainable development of its wealth in the long term. This is because the state relies heavily on gas and oil revenues to improve social welfare and to meet its national needs for spending and investments. The QP was used by the state as an instrument for development and acceleration of economic growth. It was even attributed a key role in the management of other industries related to resource exploitation. NOCs are fundamental agents accelerating economic growth by using the money earned from redistributing the share of resource investment (Clark 1990: 160).

During the first half of the 1970s, under a five-year plan, it was projected to establish a refinery, a gas plant, a bag factory, a salt plant, a plastic plant, and to expand the facility of fertilizers. In fact, Sheikh Khalifa took advantage of the large profits from the sale of oil at high prices, due to the 1973 embargo, to accelerate the industrialization of the main sectors of the economy. Khalifa's industrial policy, he emphasised industrial enterprises that have focused on two areas: (1) fertiliser production, started in 1973; and (2) and petrochemicals, whose production began in 1981 (Al-Kubaisi 1984).

6.2.3 Non-Developing Gas in 1980s: A Missed Opportunity

The total gas reserves of Qatar were estimated at 3 trillion cubic meters (tcm) in 1980 (BP 2004)[71], became an obvious target to compensate for falling oil revenues when oil production began to decline in the wake of the OPEC quota system and the emergence of non-OPEC countries as new competitors. There are several factors that demonstrate the slow development of the gas industry in the Khalifa era, including the high costs of developing gas projects; the lack of vision and plans for its development and export; the centrality of decision making in the hands of the Emir; and the lack of institutionalization of strategic gas policy.

The Shell Overseas Exploration Company (SOEC), which signed an agreement with the Qatari ruler on November 29, 1952, acquired the exploration rights to most of Qatar's offshore territory. The company discovered the North Field in the 1970s and explored it until 1977 in a vast offshore territory amounting to nearly 5.000 square kilometres. That year, Khalifa nationalized the company and granted it contracts to provide technical services. The government requested Shell to estimate and explore the reserves of the North Field. According to Hashimoto *et al.* (2004), at that time the requested studies were oriented at estimating the needs of domestic gas consumption for electricity and water use, as well as perspectives and configurations of LNG, methanol plant, aluminium smelter and new petrochemical complex.

At the time, according to the sources consulted, there was no study plan for the export of gas and provision for Qataris. According to a Shell executive involved in the company's negotiations with the Qatari state, discussions about the use of gas were:

"further delayed by the presence of a number of expatriate Arab advisers who were [naturally] intent on protecting their positions and so raised question after question to justify their presence which often planted seeds of doubt and confusion in the Qatari decision-makers' minds" said Wybrew-Bond [72].

After lengthy discussions between the Qatari government and Shell, an understanding was reached on a formula for the development of gas for domestic use and export abroad. In this regard, for QGPC the nature of the project and its implementation

---

[71] BP (2004). "Statistical Review of World Energy," available at http://www.bp.com

[72] Interview with Ian Wybrew-Bond, December 2003, quoted from (Hashimoto *et al.* 2004)

required the participation of other partners with experience, technology and capital. The project to develop the North Field was ambitious and costly since it contained 10% of the world's proven gas reserves. Having studied the market, in 1982 the Qatari government offered each company (Shell, BP and CFP, now Total) a 7.5% stake in a joint venture with QGPC to develop the North Field and an LNG export project. As a result, a joint venture agreement was signed in 1984 between QGPC, BP and CFP legally establishing the Qatar Liquefied Natural Gas Company Limited "Qatargas". Finally, absent from this pioneering project was the veteran Shell, the country's gas discoverer, which decided to invest its efforts in Australia as part of its business strategy. In its opinion, the resources in that continent are more promising than those of Qatar.

Japan was the country most interested in importing Qatari gas. In the late 1970s and early 1980s, due to economic growth and considerable energy demand, the Japanese government decided to financially support new LNG projects led by Japanese gas and power companies. In this period, Japanese companies were the main drivers of all international LNG projects serving the Asia-Pacific region. Two Japanese business groups (1) Mitsubishi Shoji, Mitsui Bussan and Itochu and (2) Marubeni and Nissho Iwai, entered into negotiations with QGPC for the acquisition of the remaining 15% equity in the $6 billion Qatargas LNG export company (MEES 1996). But several events, mainly, the Iraq-Iran War (addressed in section 6.3.3) and maritime security brought the project to a standstill during the 1980s. For the Japanese, since security was fundamental, it is clear that they did not to face any risks. The concerns were not baseless, as thirty-nine commercial ships had in fact been attacked in the Persian Gulf in 1984, and the attacks intensified until the end of the Iraq-Iran War in 1988 (El-Shazly 1998).

6.3 Global Oil Policy: OPEC's Structural Power

6.3.1 OPEC Control and Nationalization

The structural power of OPEC emerged in the 1970s. At the beginning of the decade, countries took concerted action to control the oil industry by nationalizing and/or increasing their participation in oil companies (Yergin 1991: 566). OPEC's members remained firmly committed to dominating the oil sector. In the 1960s and 1970s, Qatar gradually assumed increasing control and finally ownership of the oil industry.

The creation of the national oil companies as instruments to control the energy sector and manage oil and gas reserves and production was the turning point in the emergence of OPEC's structural power later on. Through their national companies they came to control most of the first spring of power (extraction and export of crude) and through the OPEC cartel, they took control of the pricing system. The wave of nationalizations began with force after Iran nationalized the Anglo-Iranian concession in 1951 and created the National Iranian Oil Company (NIOC); then Libya, Algeria and Iraq in 1971-1973, Venezuela (1974), Kuwait (1974-1975), Saudi Arabia (1974-1976), small emirates (1974-1977) and finally Iran again (1979). Other countries also nationalized their oil, such as Mexico in 1938 and Indonesia in 1965.

6.3.1.1 Transnational Anticolonial Elite and OPEC Policy-Planning

OPEC was a vital instrument for the Arab, Persian and Venezuelan nationalist and anticolonial elite to improve their negotiating position with Western oil companies. The organization played an important role in accumulating and strengthening the power of its member countries, giving them the broadest participation, decision-making and control over their natural resources in their territories. But OPEC's power did not have much influence until 13 years after its creation in 1960. Its members were under the domination of colonialism and the power of the Seven Sisters and they exploited their oil resources without fair compensation for the benefits and development of the country. In 1973, OPEC exercised its structural power in the oil sector by making its decision to set the price of oil. With this initiative, it overturned the dominance of the Seven Sisters in controlling oil prices with the instrument of concessions applied in oil-producing countries in the Middle East and North Africa.

The cooperation between the southern oil elite to become a "historic block" was decisive in winning the battle for control over the oil sector (Taylor 2001: 137). But the life of this bloc did not last long, given the divergence of interests and foreign interference. This elite was educated in Western universities and had solid knowledge of oil. Their strategy of confrontation was based on legal perspectives and legitimacy. According to Dietrich (2017), the anti-colonial oil elites joined forces and created alliances to confront Western oil companies. The movements of this elite began at the transnational level in the early 1950s and culminated in the 1973-4 oil embargo and crisis, and the 1974 declaration of a New International Economic Order (NIEO) at the United Nations. This new community of elites spread through Iran, Iraq, Saudi Arabia, Venezuela, Algeria and Libya. They transformed and changed the balance of power in the global oil industry, thanks to their background and experience in the United Nations, the Arab League, and the Organization of Petroleum Exporting Countries. All these factors were decisive in improving their negotiating position and in changing the rules of the game in the oil sector. Mommer (2002) argues that the two sides were balanced in terms of negotiating competence. Negotiations on behalf of the Gulf sheikhdoms were carried out by Saudi Oil Minister Zaki Yamani, he was primarily responsible for the introduction of OPEC policy (Parra 2013). This way, Qatar was more guided and influenced by Saudi Arabia's position and decision.

6.3.1.2 The Declaratory Petroleum Policy: A Roadmap for OPEC's Revolution

In 1968, OPEC's petroleum policy was a roadmap based on UN resolutions on permanent sovereignty over natural resources with the aim of renegotiating concession agreements, either individually or collectively. For OPEC, the question of participation was crucial, and as a result the organization published an important and influential document in June 1968 entitled "Declaratory Statement of Petroleum Policy in Member Countries" (Resolution XVI. 90)[73]. Francisco Parra – former Secretary General of OPEC- was the architect of the declaratory statement that he drafted months earlier the same year with the help of Dr. Hasan Zakariya[74]. The statement stipulated key principles, issues and guidelines of OPEC's policy (Parra 2013: 111).

The goal of the document was a roadmap for OPEC governments to defend their legitimate right to "the exercise of permanent sovereignty over hydrocarbon resources" (Resolution XVI. 90). The document recognizes the undisputed right of the state to participate in the ownership of the concessionary company, and addresses other issues related to ownership, oil prices, level of production, types of contract, land of exploitation, skills and relevant knowledge.

Parra (2013) and Seymour (1980) highlight seven important issues in the declaratory statement:

1) Participation. The statement called for OPEC governments to acquire a "reasonable share" in the ownership of the concession companies:

[73] Resolutions of the Sixteenth OPEC Conference, Vienna, 24-25 June 1968; Resolution XVI. 90 pp. 80-82 in OPEC Official Resolutions and Press Releases. All resolutions are from this source.
[74] Iraqi Harvard-trained lawyer.

"Where provision for Government participation in the ownership of the concession-holding Company under any of the present petroleum contracts has not been made, the Government may acquire a reasonable participation, on the grounds of the principle of changing circumstances. If such provision has actually been made but avoided by the operators concerned, the rate provided for shall serve as a minimum basis for the participation to be acquired"[75].

2) Pricing and Taxes. The statement stressed that taxes and other oil payments to governments should be assessed on the basis of a fixed or fiscal reference price, which "shall be determined by the government and shall move in such a manner as to prevent any deterioration in its relationship to the prices of manufactured goods traded internationally"[76].

3) Conservation. The statement instructed the governments to draw up detailed conservation rules:

"Operators shall be required to conduct their operations in accordance with the best conservation practices, bearing in mind the long-term interests of the country. To this end, the government shall draw up written instructions detailing the conservation rules to be followed generally by all contractors within its territory"[77].

4) Development Mode. OPEC member governments were urged in the declaration to make an effort to obtain any necessary capital or expertise from abroad on a commercial basis, or to enter into contracts with outside operators in cases where they lacked the capacity for direct development of their resources "for a reasonable remuneration taking into account the degree of risk involved"[78], and always subject to government control of operations, through its maximum participation. All this in order to explore and develop their hydrocarbon resources directly.

5) Relinquishment of Acreage. The statement also stressed the need for a more effective "progressive and more accelerated relinquishment of acreage of present contract areas"[79].

6) Fiscal Stability and Periodical Renegotiation. According to the statement, operators can have fiscal stability for a reasonable period of time guaranteed by the government, operators "shall not have the right to obtain excessively high net earnings

[75] Resolutions of the Sixteenth OPEC Conference, Vienna, 24-25 June 1968; Resolution XVI. 90 pp. 80-82 in OPEC Official Resolutions and Press Releases.
[76] Ibidem.
[77] Ibidem
[78] Ibidem
[79] Ibidem

after taxes." Therefore "financial provisions of contracts which actually result in such excessively high net earnings shall be open to renegotiation."[80].

7) And finally, *Settlement of Disputes*. The statement also insisted that all disputes arising between governments and operators should "fall within the exclusive jurisdiction of the competent national courts or specialized regional courts, as may be established".

The Declaration was a major turning point for OPEC and the policies of its member countries. In fact, many experts and personalities in the energy sector identify it as a major change. According to Parra:

"The Declaratory Statement was subsequently referred to on numerous occasions as a reference policy point in justification of later resolutions adopted by the OPEC, as well as in ministerial speeches and papers. But at the time, it went largely unnoticed. The outside world was inured to a series of empty OPEC resolutions" (2013: 111).

Ali Jaidah, Secretary General of the organization from 1977-78 said in his Anniversary Recollections, that the "Declaration of Petroleum Policy in Member Countries [was] perhaps OPEC's most significant act in its first decade and laid the foundation for the Organization's subsequent actions" (quoted from Parra 2013: 111, OPEC press release 5-78). At that time, world attention was focused mainly on the more dramatic and immediate features of the OPEC Declaration -prices, participation, direct development, renegotiation of agreements.

The Declaratory statement document was practically 100% implemented in the five or six years following its appearance. The process of negotiations was very tense from 1968 to 1973. In 1970, after the enormous pressure exerted by Libya, the major oil companies accepted the participation of the producing governments in the setting of published prices, which created a process of bilateral negotiation. OPEC made its demands loud and clear after the failure of the 1972 Participation Agreement (the failure is attributed to the Western powers and their lack of response) and the outbreak of the Palestine-Israeli conflict. In October 1973, governments assumed that prerogative and unilaterally announced price increases, which led to the first major oil crisis in the second half of the 20th century.

---

[80] Ibidem

6.3.2 The Turning Point in Global Power Structure: 1973 Oil Embargo and OPEC Oligopoly

OPEC's oligopoly was in its prime during these years, with control and dominion over oil resources. In concrete terms, OPEC countries had the oligopoly over the oil industry and business, controlled the supply and imposed the price of oil from 1973-82. OPEC's control policy of nationalizing its resources and oil fields placed in the hands of its members conditions that enabled its dominance and structural power in the oil exchange world. First, OPEC members were 11 countries, a small number that facilitated decision making and policy making; and second, they controlled 86% of the world's exportable oil supply in 1973. In contrast, during the previous period from 1950 to 1970, the transnational oil corporations' or "Seven Sisters'" oligopoly experienced their golden years, with control and dominion over oil resources (Palazuelos 2012).

In October 1973, and after the Arab-Israeli War of Yom Kippur, the Arab oil-producing countries proclaimed an oil embargo against certain countries, i.e., the Netherlands, South Africa, Rhodesia, Portugal and the US. The embargo was a reaction to the partial attitude of these countries in favour of Israel during the war and they were categorized as pro-Israeli. On October 17, 1973 in Kuwait, the Conference of Arab Oil Ministers decided to apply the embargo to these countries through a resolution (Zakariah 2011).

On October 19, 1973, Emir Khalifa Bin Hamad issued a decree in which the State of Qatar proclaimed the reduction of oil production by 10% for a month from October 19 onwards with further reductions to be decided later. Oil supplies to the United States were completely stopped as of October 21, and the embargo against the Netherlands became effective as of October 24. Immediately, many Arab oil-producing countries implemented the embargo, including Saudi Arabia, Kuwait, Algeria, Libya, Egypt, Abu Dhabi and Bahrain. In Algiers, on November 28, 1973, the Arab leaders adopted a resolution at their conference proclaiming that "the conference decided to continue to use oil as a weapon in battle until the withdrawal from the occupied Arab lands and the national rights of the Palestinian people are guaranteed"[81].

The Arab countries of OPEC agreed at their meeting on November 4 and 5, 1973, to a further reduction of their oil production. By the end of November, total oil production was reduced by some 4.8 mbd (millions of barrels per day). The sharp reduction and contraction of production caused the shock that drove the reference price from \$3.3 to

---

[81] FCO 49/474, (1973: December 5). Annex II in a paper by Permanent Under Secretary Planning Committee- 15 November 1973, enclosed in minute from J.E Cable. Quoted from (Zakariah 2011: 94)

$11.6 per barrel between October 1973 and January 1974. From Table 5, it is clear that the Arabs pursued an aggressive policy of reducing oil supply.

Table 5 : Arab oil cut back 1973 ('000 barrels p/day)

Sources	September production	November cut back	Cut back on planned – November production
Saudi Arabia	8,300	2,100	2,900
Qatar	600	150	150
Abu Dhabi	1,370	350	400
Kuwait	3,200*	750	1,210
	*(cuts are based on average of 3,000)		
Libya	2,300	580**	580**
	** (estimate: no cuts yet announced)		
Iraq	2,112	(no cut back: production lost by war damage estimated 230	
Total Arab	20,657	5,164	6,400 (est)

Sources: 5 FCO 55/1134, Department of Trade and Industry, November 14, 1973 (Quoted from (Zakariah 2011))

By 1976, the old-style concession had been swept away. The governments of OPEC had full control of their oil operations and, indeed, of oil prices. OPEC took on the challenge of regulating the exchange of crude oil through three main mechanisms: the already mentioned production containment, the price system, and long-term sales contracts. The price system preserved a post-price variant based on the Arabian light crude[82], whose level was decided at OPEC meetings and whose movement between 1974 and 1979 (from $11.6 to $14 per barrel) was indexed to the dollar rate. Thus, price formation continued to be left aside from (low) extraction costs, by means of a mark-up that provided large differential rents (Fattouh 2006).

The battle between OPEC and the IOCs and Western countries soon moved inside the organization. According to Parra (2013) and Al Chalabi (1989), OPEC had two factors that weakened its structural power. The first factor was related to its internal composition,

[82] Arab Light is a medium-gravity, high-sulfur crude oil produced by Saudi Arabia. It is the major export grade for Saudi Arabia and a global crude benchmark. From Mckinsey energy insights: https://www.mckinseyenergyinsights.com/resources/refinery-reference-desk/arab-light-crude/

the differences between the interests of the ruling political elites, and their political positioning *vis-à-vis* the United States and the IOCs generated an internal battle. There were also economically motivated differences among the members of the organization. Saudi Arabia and members with large reserves favoured a more conservative price path than those with few reserves, for fear of undermining the monetary value of their subway assets: "Saudi Arabia also favoured price moderation as the price to pay for U.S. protection in what was very dangerous neighbourhood" (Stevens 2008a). In addition, no member actor was able to consolidate OPEC's unity and power. The second factor concerned relations with Western actors affected by the oil nationalization policy. The opposition of the IOCs and the US government to this policy entailed maintaining collaboration with the OPEC governments and their NOCs. The objective was to unseat OPEC so that it would not consolidate its structural power and its oil model at the global level. As urgent measures, the actors concerned accelerated the exploitation of new fields outside OPEC and stimulated the exportable supply of countries such as Mexico, the Soviet Union, Malaysia and Egypt (Yergin 1991).

According to Mabro (2008), the oil nationalisation wave of the 1970s was followed in the mid-1980s and 1990s by a reversal of the trend in a number of countries. The oil price collapse that characterised this period severely reduced the investment funds available to NOCs.

6.3.3 Regional Conflicts and Economic Instability

Qatar as a small state was vulnerable. Because of its geographical size, Qatar experienced economic and political instability after the nationalization of oil and gas resources. This resulted in a long and complex crisis and instability that lasted from 1979 to 1986 and was generated by major events that emerged at the global and regional levels. In sum, we talk about three main reasons for that crisis:

1. The oil production and Iran's revolution. The effort made by Qatar to contain the expansion of world supply by trying to maintain the price level since the embargo of 1973, produced by Arab solidarity; and the struggle for market power between OPEC and its adversaries.

In the past, Qatar had been careful to preserve friendly relations with Iran. Qatar and Iran have had a pragmatic and discreet neighbourly relationship throughout history. The two countries share some of the world's largest natural gas reserves; in fact, they share ownership of the North/South Pars natural gas field. But Qatar had been cautious in dealing with Iran because Qatar's natural gas comes from a massive field that traverses both Qatari and Iranian waters[83]. Despite the considerable differences in the societies, languages and policies of the two countries, historically, the heads of state of both countries have maintained good relationships with the Muslim Brotherhood. Political instability and the overthrow of the Shah paralyzed Iran's oil activity for a long period after 1979. This event impacted the price of oil on a global level as well as the political and economic stability of the region.

OPEC took advantage of the sharp contraction of supply in Iran to raise the reference price sharply, from $14 per barrel in 1978 to $31.6 in 1979 and $36.8 in 1980. In this way, OPEC strengthened its control over prices and obtained greater income from its exports. Since the 1979 Islamic revolution, Iranian activities to export the revolution have generated fear around the region and Iran began to be perceived as a threat by some of its neighbours. Stories of fear that Iran is exporting its revolution and posing a threat to its neighbours have caused the country to be called a "rogue state". The revolution has surprised both the region and the West. Thus, this negative propaganda label on the country was to isolate it from the international community and to curb the expansion of the new Persian power.

2. Iran-Iraq War. In 1980, the Iran-Iraq war broke out because of a territorial dispute over who controlled the Shatt-el-Arab waterway. Qatar strived to be neutral in this war and maintained diplomatic relations with Iran. However, as a founding member of the GCC, it provided limited support to Saddam Hussein during the war between the two countries that lasted from 1980 to 1988. On two occasions, Iraqi President Saddam Hussein attempted to extend his country's power and control over its regional neighbours in a ruthless search for more oil. Both the Iran-Iraq war and the Iraqi invasion of Kuwait (1990-1991) represented blatant acts of violation of international law and the sovereignty of countries. The Baathist President came to power in 1979 and ruled until March 2003. After eight years of fighting, the war ended in a stalemate, with neither side advancing politically nor territorially. Shortly thereafter, Saddam Hussein again involved Iraq in a territorial dispute that led to war.

---

[83] Christopher M. Blanchard, Qatar: Background and U.S. Relations, Congressional Research Service, June 6, 2012. p. 9.

Iraq pressured Kuwait to give up two islands, Warba and Budiyan. Iraq's invasion of Kuwait can only be explained by its desire for oil. Saddam Hussein embraced a peculiar form of pan-Arabism, which included the belief that wealth and resources should be shared among Arab states.

Qatar has sought to improve its political relations with both Iraq and Iran. In the process, Qatar has made it clear that it favours negotiation over sanctions, and political and economic containment. Qatar has advocated that the UN sanctions on Iraq should be eased for humanitarian reasons and that all the southern Gulf states should attempt a dialogue with Saddam Hussein's government. Qatar has kept its embassy in Baghdad throughout the Gulf War and its aftermath, although it has scarcely been pro-Iraqi. It has continued to support the enforcement of the UN sanctions affecting Iraq's military capabilities, and senior Qatari officials saw Iraq as a significant security threat to the region. Qatar's officials believed this dialogue has had major benefits in easing potential tensions over Qatar and Iran's mutual claims to the offshore gas resources in the Persian Gulf. They noted that when Qatar detected that the exploration efforts of an Iranian contractor had strayed into Qatari waters, Qatar quietly called the problem to the attention of the Iranian government and then allowed Iran to withdraw the drilling effort without incident. Qatar has also discussed a project to obtain fresh water from Iran's Karun River by financing a $13 billion pipeline under the Persian Gulf and joint oil and gas projects with the Iranian government, although the cost of these projects makes it uncertain that they will move forward. Once again, however, Qatari officials recognized the potential threat Iran poses to Qatar and the region. Observers are quick to note that to Qatar, dialogue with Iran does not mean trust, and that the Iranian threat has been a major factor behind Qatar's efforts to improve its military relations with the US (Kamrava 2017).

3. Oil Price, Debt and Economic Instability: In 1982, OPEC agreed to apply production quotas among its members to regulate export and supply, but the outbreak of the Iran-Iraq War made it practically unfeasible to maintain a unified position. In fact, the drastic production contraction, carried out in a recessionary economic context, failed to stabilise prices, which began to fall sharply between 1982 and 1986, from $33 to $14.4 per barrel. The combination of the Iran-Iraq War and the application of quotas meant that between 1982 and 1985 Middle Eastern countries reduced their production by almost 3 million barrels per day, adding to the almost 9 million barrels per day they had reduced since 1979. As a result, their share of world production fell below 20%. Between 1979 and

1982 OPEC's production was cut by more than 11 million barrels a day and its world share fell from 53% in 1973 to 35% in 1982 (Linde 2000; Palazuelos 2012).

The fall in oil prices in 1986 leads to austerity measures and a decrease in allocations to the sheikhdoms. In addition, economic instability and debt in Latin America accelerated the spread of the neo-liberal agenda and the global extension of liberalisation and privatisation policies. Qatar and the Arab Gulf countries opened their economies to foreign investment and capital.

Chapter 7 Hamad's Domination and Gas's Privatisation and Liberalisation

7.1 The Structure of Power and Oil and Gas (1995-2013)

The power structure during the ruling of Hamad Bin Khalifa (1995-2013) was characterized by a domination of the charismatic emir and concentration of elites and resources around him. In the 1990s, the ruling Qatari elite implemented the liberalisation and privatisation measures of the oil and gas industry with the purpose of accumulating power at a national and international level. The novelty of this new period is the emergence of a new generation of ruling class. Sheikh Hamad bin Khalifa Al-Thani came to power at the age of 45. The new generation of rulers is more pragmatic and less ideological than their parents. Even so, they have retained several lessons from the nationalist period. National leaders make strategic decisions in the oil industry to enhance their ability to govern. Moreover, these decisions are likely to be shaped by leaders' political motivations (i.e. retention of power) and constraints (i.e. checks and balances on the decision-maker) (Warshaw 2012, 36). In addition, Banerjee and Munger (2004) argue that states privatize SOEs when the net political and economic benefits are high. These policies in the Qatari sector energy were mainly motivated by financial and operational deficiencies. According to Al-Attiyah (2016), the lack of financial viability pushed the country's move to market[84]. Many Gulf observers admit that the lack of distinction between state and ruler has been more pronounced in Qatar than in other Gulf emirates (Naqib 2012; Masoud 1994).

7.1.1 Hamad's Charismatic Leadership

Sheikh Hamad bin Khalifa ousted Khalifa the sheikh ruler from power in a bloodless coup in 1995 (Tok *et al.* 2016: 350). Hamad's charismatic leadership was one of the distinguishing features that played a crucial role in the achievements that Qatar was able to accomplish during the emir's era. The governing elite was led by a man of talent and pragmatism and a high-profile attitude to taking risks[85]. According to Max Weber (1922) authority is based on different types of legitimacy assumed by the leader: 1) traditional authority, 2) charismatic authority, and 3) rational, legal or bureaucratic authority. Weber

---

[84] Interview with the minister of energy and industry Abdullah Al-Attiyah (September 1992 to January 2011). https://web.archive.org/web/20020702042318/http://english.mofa.gov.qa/get_gov_info.cfm?id=36 [available: 09/04/2018]

[85] Interview with anonymous journalist from Al Jazeera. November 2016. Doha

was aware of the asymmetrical nature of his tripartite distinction. Traditional and legal-rational domination are two normal forms of domination that go far beyond the question of who exercises it; with this ideal-type of charismatic authority, the emphasis is placed on an exceptional situation of seduction. Because of the extraordinary qualities attributed to the leader, the latter exerts a strong emotional hold on those who abandon themselves to him. Weber's definition of charismatic authority is "based on the personal and extraordinary grace of an individual". It is characterized by the personal devotion of the subjects to the cause of a man and by their confidence in him: "only a person in so far as he or she is distinguished by prodigious qualities, heroism or other exemplary characteristics that make him or her the Chief" (Weber 1922). In fact, the power of this form of influence lies not only in the exceptional qualities of a man, but in the relationship that unites that individual with all those who share the intense desire to identify with a "great man". The individual qualities may be real or imagined, striking to all members of society, or worthy only in the eyes of a few. There are socio-cultural and situational factors which help to stimulate in certain categories of the population the desire to "surrender" to a providential leader: a national disaster that causes great anxiety; a major economic crisis; a disruption of cultural landmarks hitherto taken for granted. In exchange for submission to his hero, the person influenced participates, by proxy, in the supposed greatness of the leader, in his devotion to the public good, or even in his virile ascendancy (Burns 2012).

According to the American scholar Burns (2012), charismatic leadership can be understood in a broad sense. The great popularity of a leader signals an important, emotionally colourful leader/follower relationship that opens up better capacities for action for the benefit of the beneficiary. In this sense, the charisma of Hamad Bin Khalifa can be described from a Qatari perspective as the triumph of "a great man" or "the emir father" who solves the dilemma of the inferiority of a small dependent country without leadership. He reminds the Qataris of the personality of their founder Qassim Al Thani (see section 3.4.3). For Burns, it is in its paroxysmal forms that the essence of charismatic leadership is best manifested. It emerges more particularly in societies or organizations that are going through a profound crisis of values, especially in the field of identity. This is the case of Qatar which was affected by radical changes since the discovery of oil, the transformation and modernization of the state and society; the insecurity in a very conflictive region: the Iraq-Iran War (1980s), the Gulf War (1991), the occupation of

Kuwait (1991) and the ascendant Saudi Arabia-Iran rivalry since the Iranian revolution (1979). But the high point was the economic crisis generated in the country by the drop in oil prices in 1985, and the historical crisis of the Al Thani regime's dependence on the power of the Al Saud. Burns highlights two types of leadership: transactional and transformational[86]. In turn, in transformational leadership he distinguishes two idealistic forms: one more personalized, and the other more ideological. And it is in the category of personalized leadership called "heroic leadership" that Burns partially interrelates with the definition of Weber's charismatic authority.

Based on the conceptual framework of Burns' leadership, we can assume that the *emir* figure fits perfectly into the profile of personalist leadership. Sheikh Hamad bin Khalifa was an ambitious and pragmatic person, placing himself at the point of equilibrium for survival. The qualities of the renovator leader of modern Qatar made him a figure that inspired respect and even admiration in the eyes of many Qataris[87].The Al Thani ruling elite had a positive image in the Arab world during the so-called Arab Spring of 2011, due to Al Jazeera's coverage of the uprisings and its pro-positioning in countries such as Tunisia, Libya, Egypt. The new Qatar was taking shape in its political, economic, social and cultural development and modernization. This transformation was facilitated by the charismatic leadership of Hamad bin Khalifa Al Thani. According to Kamrava:

"Hamad has created new institutions, and has injected vigour and discipline to some and dispensed with others. But he has been the driving force behind the changes, institutional and otherwise, that Qatar has witnessed in the past decade and a half. Even after he departs from the scene, there is no reason to believe that the force of personalities—agency—will play any less of a determining role in Qatar's foreseeable future" (Kamrava 2013: 15).

Also, Hamad successfully achieved "striking multiple balances between domestic, regional, and international actors while steadily enhancing his own, and his country's position" (Kamrava 2013: 105). In the same sense, Kampfner (2014: 415) argues that:

"The third ruler in this triumvirate was Sheikh Hamad bin Khalifa al-Thani, the Emir of Qatar, who put his similarly tiny state on the global map by establishing the Aljazeera

---

[86] Based on Burns' analyses, and focusing on the leaders/followers relationship, a distinction is made between pure transactional leadership and transformational leadership. Whereas in a transactional relationship the representative is content to exploit, as methodically as possible, the conditions of exchange as they appear in a given situation. In a transformational relationship, such a leader adopts a much more dynamic attitude that seeks to transform the very frameworks in which the relationship of representation was conceived. The "great men" of history, the old lawmakers, the modern reformers and revolutionaries, the liberators, the "fathers of the Nation" etc., are naturally part of this ambitious leadership practice.

[87] Interview with Qataris graduated students from Qatar University. December 2016. Doha

television network and winning the right to host the 2022 FIFA World Cup. More than the other two, Qatar became a key player in Middle East diplomacy, not least the civil war in Syria."

The "Qatar brand" strategy and the sponsorship of major world institutions and events such as sports (World Cup 2022), the media, and conflict mediation attract the attention of international public opinion (Aarab 2014).

7.1.2 Political Liberalisation Agenda

Samuel Huntington addressed "the king's dilemma" theory by explaining the main problem facing monarchies today and the challenges of continuity in their traditional and inherited form. The dilemma facing these regimes, including Qatar, lies in how to make the required reforms that cannot be ignored without losing control. Huntington believes that there are two options: (1) The monarch could either attempt to rule continuing the modernization and openness and adopt a successful development model while intensifying repression to tighten control; or (2) work to transform his monarchy into a constitutional monarchy where the king reigns and does not rule (Huntington 1968: 177).

In the case of "King Hamad", the first option was the only one possible, in order to stay in power. Because if he loses the state, he loses control of concentrated resources (O&G). The Qatari regime belongs to the third type, power regime with concentrated elites and resources, identified by the sociology of power. According to Izquierdo-Brichs (2012) and Feliu & Izquierdo-Brichs (2016) the response of this type of regime is always very repressive, as the elites are strong and have the capacity to respond as harshly as possible. Also, they have little capacity for negotiation, as the concentration of power resources leaves them little room for partial concessions and the game is very close to an all-or-nothing game.

The sheikh implemented a modern transformative liberal agenda that encompassed many aspects of the political, economic, cultural and social panorama. The major policies were economic liberalisation, limited political liberalisation (constitutional reform, women's participation...), liberalisation of education (constitutional reform), and promotion of culture (museums). Also, Hamad was astute in resolving the intra-familial disputes that have affected all of the Gulf monarchies (Herb 1999: 109–26). This is not to say that there has been no state repression in the country, and limitation of freedom of expression.

7.1.2.1 Political Reform and "Liberalized Autocracy"

Emir Hamad undertook liberal reforms to secure his position and the accumulation of power. Qatar has been qualified as either a "liberalized autocracy" or a "pluralized autocracy" (Brumberg 2002). For this author, liberalized autocracies were built on a basis of partial inclusion; as opposed to complete autocracies, which were built on a basis of total or near-total control and exclusion (Brumberg 2002). Moreover, he situates Qatar in the grey zone of a liberalised autocracy. And this means in terms of Carothers, that the regime is "neither dictatorial nor clearly headed toward democracy" (Carothers 2002). For Brumberg (2003), the "liberalized autocracy" in the Arab world has five main characteristics: (1) partial legitimacy and national reconciliation; (2) partial reform of civil society laws and organizations; (3) partial reform of economies; (4) partial reform of parliaments and electoral systems; (5) and finally, partial inclusion (and containment) of Islamists and secularists. These liberalising reforms were mostly carried out by the Al Thani regime to pave the way for openness and political and economic liberalisation. As Michael Herb (1999) highlights, the ruler of Qatar started an opening process in politics after years of full autocracy. In short, the political liberalisation carried out in Qatar by the emir was manifested in the creation of partially elected councils, with an advisory function without decision-making capacity. The country experienced a more limited political opening, which has been accompanied by greater participation in extending suffrage to women after modernizing their status. However, the broad political reforms promised by Hamad after he came to power in 1995 were not implemented. In fact, the movement "Qataris for Reform"[88] emerged in the context of the Arab Uprisings in 2011/2012, and strongly criticized the lack of political will to carry out the appropriate reforms. The movement highlighted four main impediments and obstacles to reform in Qatar: (1) concealing and preventing the publication of information related to public affairs; (2) transparency; (3) freedom of opinion and expression; and (4) the lack of public/private boundaries and inadequate public administration.

We agree with many observers like Al-Kuwari, Al-Rumaihi, Kamrava (2009); Khatib (2013); Crystal (2009); and Herb (1999) on the premise that political liberalisation in this small country is difficult to translate into serious practices. And the promises for

[88] "Qataris for Reform" is a group of 60 people who met every Monday "Monday Meetings" (between March 14, 2011 and February 6, 2012) to discuss and debate public affairs with the aim of generating an active participation that proclaims reform in Qatar.

greater citizen participation in the system, and accountability and transparency continue to be great challenges for the Qatari regime. Therefore, the discourses on reform were more a manoeuvre to give a democratic appearance to the country with the objective of gaining the trust of the Qataris in general and the international community in particular. We must keep in mind that Hamad became Emir of Qatar after deposing his father Khalifa Al Thani in a bloodless coup.

Hamad was able to transform the power struggle within the Al Thani family in his favour. By putting order and managing the internal disputes in the monarchy, the sheikh consolidated a privileged position in power without precedent, relying on a very limited internal circle of family members in the *Amiri Diwan*[89]. The Diwan institution succeeded in concentrating control of all the affairs of the state. In terms of threat and opposition control, Crystal (2009) points out that the political reforms introduced changes in the security sector, centralizing the intelligence agencies and other apparatuses; and in order to closely and directly control the country in the face of the risks of instability coming from inside and outside.

Sheikh Hamad gave a strong boost to the small emirate's foreign policy. He managed to end Qatar's dependence on Saudi Arabia and marked territory on a regional and international level. Active foreign policy, conflict mediation, public diplomacy and business increased the connections and alliances with public and private global actors, and thus changed the configuration of the balance of power in the Persian Gulf and the Middle East.

Hamad created the "Qatar brand" to make the country known globally and in different arenas, such as: politics, economy, finance, business, culture, media, tourism, and sports. In this way, the emirate has sought to combine different resources to forge a "soft power" profile, as defined by Nye. Al Horr *et al*. (2016) described Qatar's power as "subtle" or "nestled". According to Kamrava (2013), Qatar's power comes from a good combination of diplomacy, marketing, domestic policy and increased access to and ownership of precious trade resources. The author highlights the fact that, during Sheikh Hamad bin Khalifa's leadership, "Qatar has successfully employed a combination of

[89] The *Amiri Diwan* is the seat of rule of the State of Qatar. It is the sovereign body and the administrative office of The Amir. It acts as a nexus between The Amir and all governmental and non governmental bodies internally and externally. https://www.diwan.gov.qa/?sc_lang=en

hyperactivism and diplomatic cover, the U.S. security umbrella, economic prowess and branding to position itself as an essential actor in the region and beyond"(Kamrava 2013: 102).

In the following sections we will address relevant reforms that Hamad has implemented in the small emirate regarding elections, the Constitution, the status of women and participation, education, civil society, culture and media matters.

7.1.2.1.1 Elections

The Municipal Council elections in March 1999 were Qatar's first initiative towards political reform. This election was held to elect 29 members for the Council, one representative for each of the 29 counties in Qatar. The members of the Council elected a Chair and a Vice-Chair for the Council at the first meeting. The role of this Council is to provide leadership in planning economic and social programs. The Council meets every two weeks to discuss different issues that are presented from different members of the council. Every member strives to resolve his county's issues. The Council's resolutions are based on the member's votes during the meeting. All citizens of Qatar, male and female, who are 18 years of age or older are eligible and have the right to vote. There were 248 candidates, including five women, who ran for the seats. The large number of candidates led to strong competitions for seats on the council. The government was satisfied with the level of citizen participation in the first election. The result of the election shows the impact of tribal loyalty on the voters.

Elections in Qatar separate nationals (to whom suffrage is restricted) from the many expatriates. The elected bodies are clearly intended as a forum for the new elites, as usually neither the members of the ruling family run for office nor the rulers' key supporters, the police and military. They neither run for office nor vote. This reinforces the division between participatory and palace politics. Nonetheless, even when they are top-down affairs, the process of political liberalisation has many supporters, although also a few opponents. According to Crystal (2005), other groups were deprived of the right to vote, as is the case for the Al-Gharn clan belonging to one of the great tribes of Qatar and which is estimated to have some 6.000 members. The main reason for their deprivation is that some people in the group were linked to the failed coup attempt in 1996.

7.1.2.1.2 Constitutional Reform

The reform of the Qatari constitution was promoted by *Emir* Hamad and was approved by popular referendum in April 2003. As we know, the constitutional and legislative system of the State of Qatar, both in principle and in practice, is centred on the *emir*, and no law can be passed or implemented without his consent. The Council of Ministers has the right to submit draft laws. In theory, the *Shura* Council is the organ that promotes legislation, but in practice its function of proposing draft laws is suspended. According to Al-Sayed (2016), there are other limitations of this body, and they can be summarized in the ineffectiveness of discussion, debate and drafting of laws. Also, the period of publication of the laws by the *Official Gazette* does not comply with the constitution, that gives the deadline of 15 days; on the contrary, they can wait up to 18 months, depending on the decision of the Emir. At the judicial level, it should be noted that the Supreme Constitutional Court has been suspended since 2008, and the Court of First Instance has been limited in its decisions. This puts into question the *emir's* willingness for political liberalisation and shows a violation of the rule of law and the right to a just trial. In short, the new constitution establishes civil and political rights, but the lack of institutional guarantees for the protection of these rights calls into question the legitimacy and validity of the constitutional reform (Al-Sayed 2016: 37).

Al-Kuwari a Qatari personality, criticized this reform by not introducing a profound reform of the constitution regarding the sovereignty of the people against the sovereignty of the individual, and the separation of executive, legislative, and judicial powers, and say “We find a convergence in most articles between the provisions of the Constitution of 2003 and what was stated in the provisional statute of 1970 and the amended provisional statute of 1972.”[90]

7.1.2.1.3 Women’s Participation and Education

Hamad’s coming to power accelerated the change in the status of Qatari women, an opening that is limited and symbolically valuable. His commitment to openness to modernity led him to create spaces and opportunities for Qatari women. Education was the most important axis for achieving this objective of involving women in the development of the country, through their incorporation or integration into political, working, social and cultural life. It was not an easy task if we consider that this is a

[90] Al-Kuwari, *Dustur Qatar: Malamih Dimocratia maa Irjae Tanfidh*; http://dr-alkuwari.net/sites/akak/files/q_democratic_features_-_mlmh_dymqrty_m_yqf_ltnfydh_-dstwr_qtr.pdf [13/03/2019]

conservative society, where tradition does little to help the emancipation of women. In April 2003, during the second municipal council election, Qatari women were able to gain access to the council for the first time in its history (Bahry & Marr 2005).

In order to ensure the good process of reforming the status of women in Qatar, the Al Thani ruling family was obliged to lead by example. The leadership of Sheikha Mozah bin Nasser Al-Misnad, wife of the ruler, and Dr. Sheikha Abd Allah al-Misnad, former president of Qatar University (both are cousins), was key in this process of changing the status of Qatari women. This was in parallel with other domestic political and economic initiatives and Qatar's openness to Western culture and neo-liberal globalization. Higher education and K-12 education were the two main drivers for women's regeneration. In higher education, women outnumber and outperform men. Based on my teaching experience at Qatar University in 2015, I share the impression with many other Qatari university professors that Qatari female students are more engaged, enthusiastic and ambitious. Dr. Sheikha Abd Allah al-Misnad, President of the University from 2003-2015, made major reforms in higher education and promoted the involvement of women in educational development and research. Sheikha Mozah bin Nasser Al-Misnad, on the other hand, plays a great leadership role in the educational and cultural spheres at a local, regional and global level, through the Qatar Foundation. Sheikha Mozah bin Nasser Al-Misnad, in turn, plays a great leadership role in the educational and cultural spheres at a local, regional and global level through the Qatar Foundation. She was also a long-time leader of the Supreme Council for Family Affairs, promoting initiatives and activities by women and other social welfare groups in Qatar. It is also worth noting the involvement of the Supreme Council of Qatari Education and the advice of the American consulting firm Rand. She has been appointed by Emir Hamad to review the education system and to propose new curricula and teaching methods for grades K-12.

Education City is the modern educational project of the Al Thani family to inspire Qatari men and women and to compete with or influence Qatar University. It is also to provide a quality education with world standards to the Qatari elite of the future, without them having to travel to the US, especially after the 9/11 attacks. Education City is an ambitious and strategic project where billions of dollars have been invested in the implementation of a global, liberal and modern education system capable of forming the future Qatari elite. Education City is home to the branches of the world's best universities from the US and Europe.

The pragmatism of Al Thani led to opt for an education with a diversified ideological base: liberal, Islamist, Wahhabi and nationalist. In this sense, different institutions of higher education and scientific research were created to satisfy the needs of the different sensibilities of society. The Doha Center and its subsidiary the Doha Institute, led by the thinker and former parliamentarian Azmi Bishara, is a project of internationalization of knowledge from an Arab and nationalist perspective. This institution brings together an Arab elite of teachers, researchers and students. The sponsorship of the different educational institutions has been criticized by various actors for promoting Westernization (Western Campuses), Arab nationalism (Doha Center), Islamism and Wahhabism (Hamad Bin Khalifa University).

7.1.2.1.4 Civil Society

Civil society in Qatar emerges in a context of an authoritarian regime and is therefore very limited in its participation and possibility of action. Meanwhile, civil society in democratic regimes is self-organized and self-regulated and plays a crucial role in influencing the political system. Civil society has become a debatable topic among social scientists in the Gulf Cooperation Council countries. Debates have emerged during the last decades to discuss the existence of civil society in the Arab countries of the Persian Gulf. Is tribalism and tribal society based on civil society or is it its antithesis? (Al-Najjar 1992). The Persian Gulf has been affected by rapid changes in the 1960s and 1970s and early 1980s as a result of the development of oil revenues. During these periods, Gulf societies have undergone a rapid transformation on social, economic, and political levels. The increase in education and wealth was a major factor in the transition from a traditional to a modern society. The non-governmental organizations and associations, which represent the civil society in Qatar and the Gulf states, share similarities in their basic characteristics. All of these organizations were founded as charitable and religious associations. Therefore, these organizations refrain from intervening and discussing political issues. Although these institutions appear to have autonomy, they are strongly related to the government and most would not survive without governmental support. Most of the members of the administration of these organizations were appointed rather than democratically recruited.

In oil monarchies such as Qatar, in the context of a lack of societal pressure for change , state and society have a peculiar relationship. Qatari civil society is regulated by the state, public assembly is limited and political partied are banned. However, this was paralleled by moves toward economic liberalisation. Tribes remain the primary social and political organizational type (see 3.4.2). According to the work of Al-Najjar, a Bahraini expert on civil society in the Gulf, the beginning of the rise of civil society in Qatar took place after its independence. Culture clubs (groups of intellectuals who discuss, debate, and attend lectures), sports clubs, welfare, charities, women's and religious organizations formed the base of modern associations. The State of Qatar has numerous non-governmental organizations, but most of these associations were initiated in the 1990s. (1) The Qatar Red Cross was founded in 1978 as a volunteer organization while the Qatar Charitable Association was founded in 1992 as a religious and charitable organization. Both of these organizations' goals were to assist poor and needy families either inside or outside of Qatar. Also, their purpose was to spread social and religious awareness among the people living in Qatar. (2) The Supreme Council for Family Affairs was founded in Qatar in the late 1990s. the main goals for this organization are to maintain the development of Qatari women, through education and participation in the labour market. As a result of this organization, the elections for the municipal council were opened up to women. While women did not win in the first election that was conducted in Qatar, it was significant that they were able to participate in the election. (3) the Al-Jasrah Cultural and Social Club was founded in Qatar in 1972. This organization has different members who graduated from different Arab, European and American universities. This led to a variety of positions and thus created a large number of economic and political elites in high positions in the government of Qatar (Al-Najjar 1992).

In Qatar, most NGOs are pro-government. And there is no organized opposition because there is no party system. But there are voices and personalities of opposition residing inside and outside, criticizing the Al Thani regime and its liberalisation policies. During the Arabs Uprisings of 2011, a movement of Qatari citizens called "Qataris for Reform"[91] led by Ali Khalifa Al-Kuwari emerged in Qatar calling for reforms:

"These individuals engaged in a mature dialogue over aspects of various imbalances in need of root-and-branch reform, imbalances that generally go unacknowledged on the official level and remain unaddressed by the media and the many conferences and seminars held in Qatar. They are ignored by research centres with links to the authorities and by the satellite television empire Al Jazeera, which describes itself as "the pulpit for

[91] "Qataris for reform" is a group of 60 people who met every Monday "Monday Meetings" (between March 14, 2011 and February 6, 2012) to discuss and debate public affairs with the aim of generating an active participation that proclaims reform in Qatar.

those with no pulpit," a pulpit that is not, unfortunately, extended to the people of Qatar themselves.

Interest in these problems is confined to conversations between Qataris. In private meetings, in gatherings where men and women come together and in casual conversation their complaints are many. We find them in articles by Qataris that by and large are barred from publication. We find echoes of them on electronic social networks and the Internet. But there is no public arena or body—no association or debate forum or media outlet—that concerns itself with the issue of reform in Qatar."[92]

7.1.3 Culture and Media

Sheikh Hamad's liberalisation agenda included the media (Al Jazeera) and the culture sector (museums and libraries). These sectors were important power resources for strengthening his leadership and his project of Qatar controlled transformation.

7.1.2.2.1 Media

Information was an important source of power for Hamad. And this is reflected by the project of the Al Jazeera network with its channels in different languages (Arabic, English), and in different specialties and sectors. The most outstanding being the sports channels and the children's channels. The media constituted a necessary soft-power resource for the influence at a regional and global level (Powers 2009).

The diffusion of information in a connected global society was an important factor for the projection of Qatar in the world and particularly in the Arab region. The Qatari media policy had significant consequences. The liberalisation of information and opinion on the situation in the Arab world has brought Qatar into conflict with the world powers and authoritarian regimes that censor the independent, oppositional voice that cross may red lines. In this case, the backlash to Al Jazeera's coverage of the Iraq War and the Arab Uprisings, are some examples of the great challenges that the Al Thani regime and its foreign policy had to face. The Al Jazeera media network contributed to the rise of the small state of Qatar as a regional player in a tense Middle East, dominated geopolitically by Iran and Saudi Arabia. In addition, Qatar accelerated the dynamics of its foreign policy to mediate in political and religious conflicts in the Arab-Muslim region (Lebanon, Palestine, Afghanistan, Sudan) (Aarab 2014) .

It is in this sense that Al Jazeera emerged to modernize the media sector and project abroad an image of a country of freedom and dialogue, through the open debates,

---

[92] Al-Kuwari, Qataris for Reform http://dr-alkuwari.net/sites/akak/files/itroduction-monday-book1.pdf

programs, and forums of Al Jazeera. At a domestic level, there are no independent media linked to specific civil organizations, except for associations that include in their policies a clause to establish loyalty to the *status quo* in the state[93].

7.1.2.2.2 Culture

Hamad has introduced a modern cultural agenda that combines traditional and modern elements with the purpose of enriching identity and leaving its legacy in the Qatari memory. From there, it is interesting to underline how the emir empowers the resource of culture and identity to increase his influence, legitimacy, and power through this resource. In the last two decades, the Al Thani family made extraordinary purchases in the art market, which demonstrates its extreme wealth. It is also a shareholder in major luxury brands worldwide. According to Karen, "[t]he royal collecting contemporary art can be seen as part of this process, demonstrating an embrace of global, or 'universal' aesthetics as a demonstration of legitimate taste" (Exell 2016).

Qatar's first National Museum was built in 1973, but Hamad's cultural agenda led to the creation of more museums and libraries with different characteristics; Qatar has established five museum libraries and the Qatar National Library (QNL). This reflects an attempt to build and develop heritage and identity. Sheikha Al Mayassa bint Hamad bin Khalifa Al Thani is Chairperson of Qatar Museums, the Doha Film Institute and Reach Out to Asia. She is part of a group of young and leading Al Thani women that transform and mix the elements of modernity and tradition.

It is also understood that the modern cultural agenda is implemented in the context of globalization, an external factor that conditions the forms and patterns of this agenda. From there, Hamad wants to project a new image of Qatar with a modern identity that is open to global values, respects Arab traditions, and has an Islamic religious and ideological reference.

7.2 Domestic Gas Policy: The Privatisation "Back-Door"

Privatisation was one of the policies recommended by neoliberalism during the 1980s for indebted countries with serious economic problems. Oil and gas exporting countries were included in this privatisation dynamic. It should be remembered that the

[93] Interview with anonymous scholar from a Qatari Think Thank. October 2016. Doha

oil price crisis at the end of 1985 caused the acceleration of the fragmentation of the USSR due to the lack of financial resources to be able to maintain the country. At this point, Qatar was strangled with no financial resources to sustain the country. According to Al-Attiya[94], from 1985 to 1986, Qatar was also struggling with no financial resources to sustain the country.

Qatar and the Gulf countries had no choice but to seek loans to sustain state and society and to cope with the crisis in the oil industry due to low oil prices and a lack of liquidity. This made way for the entry of foreign capital to promote the economy and especially the energy sector, since this sector was the engine of their economies and the one that generates the greatest profits.

Faced with this situation, Qatar introduced economic reforms led by neoliberal policies, such as liberalisation and privatisation. In the gas sector, privatisation was carried out through joint venture contracts, as Al Mazeedi (1998) points out with regard to privatisation in the Gulf. The country had no choice but to bet on the policies of the "Washington Consensus".

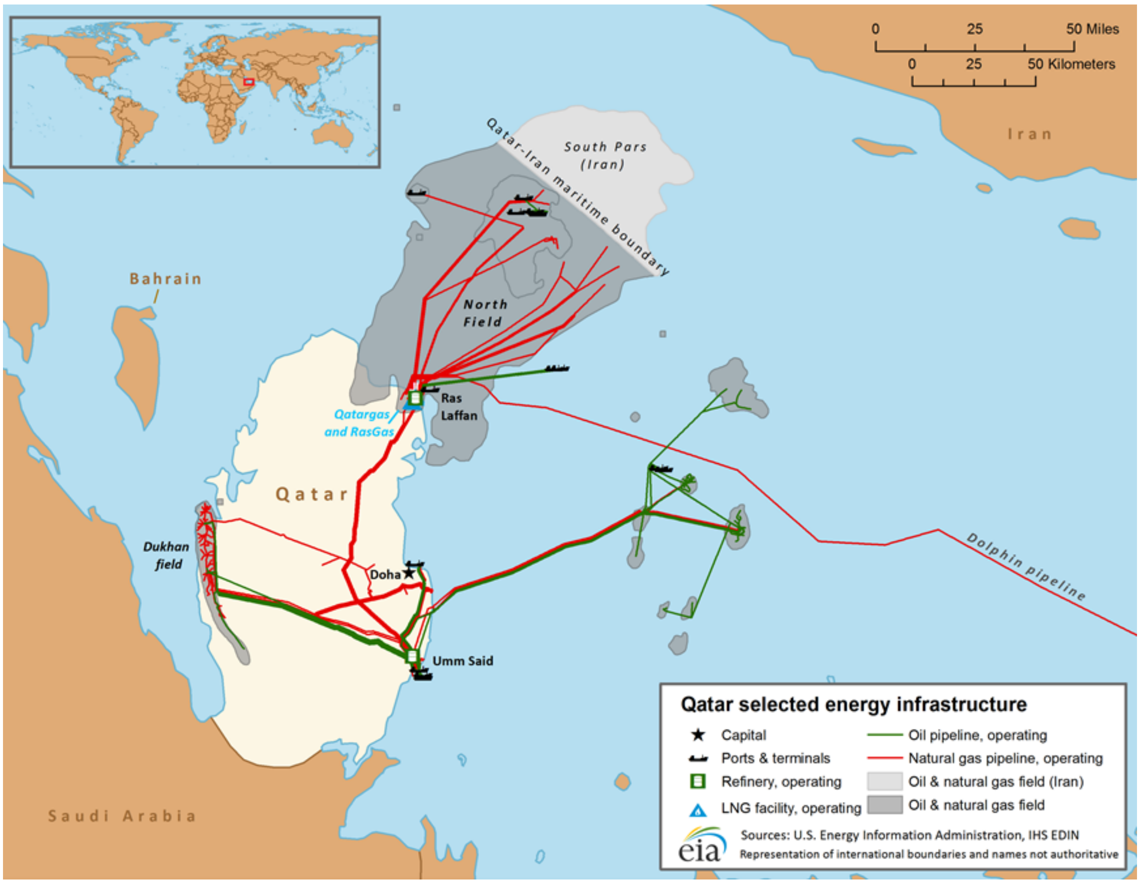
Privatisation is related to private property and both are associated with a liberal capitalist ideology. According to Jackson *et al.* (1994: 42), the principles of capitalism are "private property, freedom of enterprise and choice, self-interest as the dominant motive, competition, reliance upon the price or market system, and a limited role of government". For liberals, private property is more efficient than state property because it is more efficient and more productive. This is based on the argument that private owners are free to make decisions based on their best interests (Alchian & Allen 1983: 113), in contrast to state property, where there is a process of bureaucracy and political interference (Jensen & Meckling 1978). Mainstream liberal scholars who promote the discourse of economic performance and efficiency (see chapter 1) argue that private ownership firms outperform their state-owned enterprise counterparts because of an unequivocal relationship between the principal agent and the agent, leading to visible performance, as is the case with the agency theory of Jensen & Meckling (1978).

Stiglitz (2003: 53-4) reminds us that privatisation was one of the three pillars of

[94] Interview with Al-Attiyah, December 27, 2016. Doha, Qatar

the Washington Consensus promoted by the Bretton Woods organizations IMF and WB. The author emphasizes that this prescription was to solve the economic problems of the countries in the Latin American region, but which over time became a global recommendation for all the countries in the world (e.g., Indonesia). Privatisation is one of the many conditions imposed by the IFM and the WB within their SAP program for countries requesting loans and aid (Stiglitz 2003). Stiglitz and Krugman had harshly criticized the applied economic theories for being erroneous.

Figure 3 Qatar Oil and Gas Infrastructures



Sources: 6 Map from Energy International Agency[95]

7.2.1 *Joint Ventures* as Privatisation "Back-Door"

Governments can undertake privatisation, the transfer of ownership from public to private hands, for a variety of reasons. However, some of the most commonly cited ones (Megginson & Netter 2001) are: (1) to raise revenue for the state; (2) to subject state-owned enterprises to the discipline of the market; (3) to provide the opportunity to introduce competition; (4) to promote economic efficiency; (5) to reduce government

[95] Energy International Agency, https://www.iea.org/countries/Qatar

interference in the economy; and (6) to promote wider share ownership and develop the domestic capital market.

The two principal privatisation routes are via a public share offering, i.e. listing of NOC shares at the stock exchange; or via a trade sale, i.e. selling NOC equity or assets to (or merging with) another company, which has to have some degree of private ownership. Empirically, for the privatisation of larger state-owned enterprises public offerings seem to be the preferred route, because they offer the economic advantages of organized capital markets and the opportunity to allocate shares to domestic voters and interest groups (Megginson & Netter 2001). Trade sales and stock offerings are both “open” privatisations insofar as they are easily identifiable as such.

There is another form of privatisation labelled “back-door” (Al-Mazeedi 1998), where a significant part of the asset base of the state company is privatized without official recognition of such policy. This route is usually based on *joint venture* agreements (or other forms of shared equity cooperation) at the operating level. QP’s *joint ventures* with IOCs can be considered as privatisation “back door” according to the interpretations of Al-Mazeedi (1998).

The privatisation of state-owned enterprises in oil and gas industry was the vehicle by which the economies of the Gulf have been integrated into the word economy (Al-Mazeedi 1998). This author summarises the driving forces of this privatisation dynamic in five factors: (1) the restoration of confidence in the region’s oil and gas supplies, (2) the easings financial constraints of public sector of region’s countries, (3) the increasing of efficiency, (4) the creating of flexibility of Oil and gas’s SOE’s, and (5) the inherent need for change, politically, economically and socially. As I stressed in the introduction of this thesis, NOCs are an instrument of the state, and enhancing them improves the position and capacity of the state, and the power of the ruling elite.

The political ideology of parties in government influences strongly on the processes of privatisation in forty-nine countries between 1977 and 1996 (Bortolotti *et al.* 2001). The decision to privatize NOC is motivated for the high political net benefits that elite leader expect from privatisation (Banerjee & Munger 2004). Nolan & Thurber (2012) argues too that privatisation is effectuated in the time of risk and crisis in hydrocarbon economy's countries, maybe when the prices of oil are very low “oil price shocks”.

For some authors like Gray (2013: 128), privatisation in Qatar is not a liberal type of process in which the state-owned company is sold to private agents, rather, it is a broad participation of foreign companies in the industrial and economic sectors.

Since the 1990s, Qatar has been engaging in a dynamic process of privatisation of various sectors of the economy and has been encouraging private participation in public enterprises. The aim is to achieve growth and economic development and to improve the performance of state-owned enterprises in terms of efficiency, profitability and management. Today, more than 46 privatized companies are listed on the Stock Exchange, which was opened to private capital under Sheikh Hamad's privatisation and economic reform program[96]. Among the most notable privatisations are the sale of 45% of the share capital of Q-Tel in 1998; the sale of the Ras Abu Fontas B power and water desalination facility in 1999 by the government to QEWC, one of the first private sector power and water companies in the region; the initial public offering of 30% of Qatar Industries, which owns 75% of the Qatar Fertilizer Company, 80% of the Qatar Petrochemical Company, 100% of the Qatar Steel Company and 50% of the Qatar Fuel Additives Company; the initial public offering of 60% of the Qatar Fuels Company; and the establishment in 2004 of Nakilat as a publicly traded corporation owned 50% by the public and 50% by its founding shareholders. Also, in December 2002, Qatar announced the privatisation of the electricity generation and water projects.

7.2.2 *Joint Ventures* as Foreign Direct Investment

Qatar has implemented a *joint ventures* policy to resolve its gas sector's complex problems and to establish strategic alliances with international oil companies. In the literature on joint ventures there is a great variety of definitions and explanations, which sometimes lead the reader to confusion between different types of cooperation agreements (production-sharing agreements). We will lean therefore towards the explanation given by Brouthers & Hennart (2007) who consider that a joint venture can be classified as foreign direct investment (FDI). These authors sustain that the only difference is that a wholly owned subsidiary represents sole internalisation (i.e., "to do it alone"), whereas a joint venture agreement represents joint venture internalization (i.e., "to involve a local partner").

[96] *Qatar Stock Exchange* Annual Report 2018, see: https://www.qe.com.qa/documents/20181/f44c8c7f-ee15-1b80-6b22-7426f0608618

In the literature on the cooperation agreements in the oil and gas business and industry, there are four main types of contracts or cooperation agreements [foreign direct investment]: (1) concession agreements, (2) production-sharing agreements, (3) service contracts, and (4) joint venture. According to Bindemann (1999a), the difference between the kinds of cooperation agreements "are of a conceptual nature mainly with regard to levels of control granted to the foreign contractor, compensation arrangements, and levels of involvement by NOCs".

1. Concession agreements. In (section 4.2.3.2), we have treated the oil concessions in the colonial period of the Middle East, and we have explained the main characteristics of this type of agreement. Upon independence, these oil-exporting countries abandoned this type of concession agreement to replace it with other types such as joint ventures agreements. In OECD countries, ownership of oil and gas are not a national constitutional issue; and the concession agreement provides the investor with a legal title to oil and gas, without conditions on the benefits of the investment. In turn, the state is provided with the right to collect royalties and fixed taxes (Jaffe & Soligo 2010: 117) .

2. Production-sharing agreements. Under a PSA, the state as the owner of mineral resources engages an international oil company as a contractor to provide technical and financial services for exploration and development operations. The IOC acquires an entitlement to a stipulated share of the oil produced as a reward for the risk taken and services rendered. The state, however, remains the owner of the petroleum produced subject only to the contractor's entitlement to its share of production. The government or its NOC represent the state, which usually has the option to participate in different aspects of the exploration and development process (Bindemann 1999a).

3. Service contracts. It is a pure service contract; the foreign oil and gas service company is the sole bearer of the financial risk and engages in exploration and development for an agreed fixed fee or other form of compensation. The foreign oil and gas service company supplies services and know-how. It has, however, no equity position in the venture (Bindemann 1999a).

4. Joint venture: In this type of agreement the state (represented by the government or NOC) and international oil company share ownership, profits, control and management. Both partners participate in the operations of the oilfield and acquire ownership of a specific part of production. According to Bindemann (1999a):

"in addition to royalties, taxes and profit oil, the government in entitled to share of profits. However, this benefit comes at a cost since development and operating costs are shared between the partners. Although it should be added that it is quite normal for the foreign oil company to assume the entire exploration risk by carrying the government's participation until commercial discovery Joint ventures take either an equity or a contractual form. In the first case a joint stock company is established, and each partner owns a specified percentage of the equity. The latter on the other hand is governed by a joint operating agreement and each partner owns a share of production".

Just as senior Qatari figures, the state and bodies such the Qatar Investment Authority (QIA) seek to invest abroad. They are actively seeking to attract foreign investment in Qatar, not only for the funds it brings –which, Qatar's balance of payments actually has not needed since the late 1990s- but also for technology, innovation, and others intangible benefits. As one official from the Ministry of Economy and Commerce remarked: "We don't need FDI for the money, although capital is always welcome. We want the transfer of systematic know-how. Local companies can bring in individuals, but [international] companies bring institutional knowledge, and that is the biggest plus." quoted from (Al Emadi 2019).

7.2.3 Joint Ventures Gas Policy

Al Emadi (2019) developed in his doctoral thesis the factors that motivated Qatar and International Oil Companies preferring the Joint Ventures to develop the Qatari gas industry: Technology, gas reserves, profits, domination, signification and legitimation.

7.2.3.1 QP-IOCs Preference for JV

IOCs preference for joint ventures. Al Emadi argues that IOCS enter into joint venture agreements because these agreements allow them to achieve three benefits: (1) joint venture agreements allow international oil companies to capitalise on ownership advantages such as the possession of Liquefied Natural Gas (LNG) technology, multinational experience and an effective human resources management; (2) joint venture agreements enable international oil companies to exploit location advantages of Qatar, as a host state, such as Qatar's North Field and political stability of the emirate; and, (3) joint venture agreements allow international oil companies to reap the benefits of joint internalisation advantages such as minimising transaction-related and social-related costs.

Al Emadi applies Giddens's structuration theory to explain the Qatari elite's preference for joint ventures. Therefore, the factors or elements that reason Qatar's decision to opt for this type of agreement are three: Domination, signification and legitimation. (1) Domination: JV provide shared positions of power for the partners QP and IOCS; both grounded in their access to allocative and authoritative resources. (2) Signification: Islamic religion engenders high costs with respect to local religious know-how, which international oil companies investing in Qatar can potentially minimise through joint venture agreements. And, (3) legitimation: JV agreements are considered the most efficient technology transfer mechanism. The normative rules and moral obligations specifying the importance of facilitating technology transfer to the Qatari gas industry.

The policy of joint venture in the gas industry attracted the interest of many global players in the sector. Qatar was very interested, or rather, needed capital and technological know-how to exploit and develop its gas resources. Therefore, the negotiation process between QP and foreign partners led to the cooperation in business projects in Liquefied Natural Gas, with the objective of expanding into regional LNG markets.

Table: Qatari' LNG Institutional and Ownership Structure: QP and Foreign Partners' Joint Ventures 1996-2017

QP Subsidiaries	QatarGas							RasGas						
LNG Projects	QatarGas1			QatarGas2		QatarGas3	QatarGas4	RasGas1		RasGas2			RasGas3	
Venture type	Transfer			Integrated		Integrated	Integrated	Integrated		Integrated			Integrated	
Trains (T)	1	2	3	4	5			1	2	3	4	5	6	7
Trains Capacities (mt/y)	3.3	3.3	3.3	7.8	7.8	7.8	7.8	3.3	3.3	4.7	4.7	4.7	7.8	7.8
Process method	APCI	APCI	APCI	AP-X	AP-X	AP-X	AP-X	APCI	APCI	APCI	APCI	APCI	APCI	APCI
Project Capacity(mt/y)	9.9			15.6		7.8	7.8	6.6		14.1			15.6	
Total Capacity (mt/y)	**77.4**													
Strat-up	1996			2009		2010	2011	1999		2009			2009	
Shareholders and Ownership Structure (%)														
QP	65			67.5		68.5	70	63		70			70	
Foreign Partners	35			32.5		31.5	30	37		30			30	
Exxon- Mobil (US)	10			24.2				25		30			30	
Total (France)	10			8.4										
Conoco- Phillips (US)						30								
Shell (UK- Holland)							30							
Mitsui (Japan)	7.5					1.5								
Marubeni (Japan)	7.5													
Itochu (Japan)								4						
Kogas (Korea)								5						
Minority Stakes (Japan)								3						

Sources: Own analysis based on Flower [2006, 2011 and 2016], Fattouh, Rogers and Stewart [2015], QP, QNB (Qatar National Bank)

Qatari LNG ownership structure and capacity (mt/y): Since the 1990s, Qatar's gas joint venture policy has reconfigured the institutional organization of the sector and introduced international energy companies as major elements in its LNG strategy. And that means a greater dependence on foreign actors, in terms of capital, financing and technology. Partners consist of the biggest Western companies from the USA (Exxon- Mobil, Conoco- Phillips), France (Total), Holland (Shell) Japan (Mitsui, Marubeni, Itochu) and South Korea (Kogas,), and other minority stakes (....). The result of QP's and IOC's development of partnerships, has led to the establishment of two subsidiaries: Qatar LNG

Company (Qatargas) in 1984 and Ras Laffan LNG Company (RasGas) in 1993. In both subsidiaries the foreign companies share in total 32.2% of the LNG ownership, while QP owns 67.7% of the seven LNG projects. ExxonMobil is the most strategic foreign partner with 17% of the Qatari LNG ownership, followed by Conoco-Philips with a 4.2% share, Shell 4,2% share, Total 2.6% share, Mitsui 1% share, Marubendi 1%, and Itochu, Kogas and Minority Satkes ~2% share. The two subsidiaries produce more than 77.4 mt/y and operate 14 LNG export trains within seven joint venture companies. RasGas is driven more by ExxonMobil while Qatargas is driven more by Qatargas. QatarGas and Rasgas promote a number of liquefaction projects and each project has its own ownership structure that serves as a holding company for the various numbers of trains per project.

QatarGas	RasGas
Originally, QatarGas was established in 1984 and started LNG production in December 1996. It was the first Qatari LNG project to emerge as a joint venture between QP 70%, BP[97] 7.5% and Total 7.5% and Marubeni 7.5% and Mitsui 7.5%. The company operate 7 LNG trains, that brought total liquefaction capacity to 41.1 mt/y.	Originally, RasGas was established in 1993 and started LNG production in August 1996. It was the second LNG subsidiary that emerged as a joint venture between QP 70% and ExxonMobil 30%. The interests of QP and Mobil in RasGas have been reduced to 63% (QP) and 25% (Mobil), by the acquisition of shareholdings in RasGas by Itochu Corporation (4%), Nissho Iwai Corporation 3% (Minority Stakes) and Kogas 5%. RasGas operate 7 LNG trains, that brought total liquefaction capacity to 36.3 mt/y.

Project venture structures: Generally, there are three models of business structures adopted in LNG projects can be grouped into three categories: integrated project, tolling model and transfer pricing or separate upstream and downstream ventures model. In a brief comparison, we say of the three structural models of LNG projects that: (1) in the integrated model, the participants are shareholders and have the same ownership interest in upstream, liquefaction and sales parts of the LNG chain value; (2) in the transfer pricing model, the project is organized into separate upstream and downstream ventures, the

[97] BP was replaced by Mobil in early 1993.

shareholders are different in the upstream and downstream value chain, and (3) in the tolling model, the upstream producers pay the liquefaction plant owners a tolling fee to use the plant to liquefy their gas, and then sell the LNG to the buyers (2012: 108).

To adopt the model of the project structure is a fundamental decision in the development of the LNG business (infrastructures in liquefaction and regasification terminals). The structure of a project affects the risk profile of the project and the type of financing and facilities. Also, the contractual relationship between the project sponsors, the legislation and the local tax regimes. According to Ledesma (2012: 103-4), there are five important factors that determine the project structure: (1) Shareholder requirements and interests of the host government or state company, (2) fiscal terms, (3) the role of the buyer, (4) construction contracting strategy, (5) and financing requirements. Table 2 shows that the State of Qatar and Qatar Petroleum have opted for the integrated venture model, except for the first QatarGas1 project which opted for the transfer model.

7.2.3.1 QP-ExxonMobil Preference for JV

[Exxon]Mobil is the largest partner of foreign participation and was been the owner of the 1935 oil concession. For Mobil, QP fits perfectly as a preferred partner. The American multinational company has the technology and experience to exploit Qatari gas reserves and LNG production. It is integrated into the entire value chain of its LNG joint venture projects with QP. At the time, Mobil was looking for a new LNG investment to replace its involvement in the Indonesian Arun project (Flower 2011: 356), which was entering into a long-term decline as the reserves supplying the plant depleted[98]. Therefore, Qatar's gas reserves in the North Field, positioned as the third in the world after Russia and Iran, are a great opportunity to exploit, and the country enjoys certain political stability and a geographical position close to the regional gas markets of Asia and Europe. At the same time, Mobil would reap the benefits of joint internalisation advantages such as minimising transaction-related and social-related costs. BP's withdrawal from Qatargas in 1992, motivated by a perceived lack of profitability of the project, was a big opportunity for Mobil's entry in the joint venture. But for Mobil, 7.5% ownership of the Qatargas project was insufficient to generate sufficient profits. Mobil therefore requested QP to create a totally new company in the North Field, RasGas, in order to accept the entry as a 10% owner of Qatargas. The largest foreign company owns almost 20% of both companies,

[98] Interview with Al-Attiyah, December 2016. Doha

Qatargas and Rasgas, corresponding to some 20.6 bcm/y worth of liquefaction capacity. According to Flower (2008) when RasGas became operative in 1999, Mobil had merged with Exxon to become ExxonMobil, where the latter's initial share was 30% but was later reduced to 25% to include upstream shares of large Japanese and Korean buyers.

QP preferred ExxonMobil as a strategic partner because of its long experience, technology and financing. It is also a big actor in the "private empire" with the support of the US administration. According to Boon Ochssée (2012) Exxon holds several advantages for QP: (1) It has a strong cash flow and pristine balance sheet, which enable it to make opportunistic deals, giving Exxon excellent financial flexibility and the best possible credit rating. (2) Exxon has a proven track record in terms of overall efficiency gains through its global functional organisation. (3) It is one of the most recognised and trusted companies in the oil and gas industry, its brand is associated with a vast and diverse experience as well as technological leadership. (4) ExxonMobil's private authority and its global presence in over 200 countries and on 5 continents means that Qatar has access to regional markets for the sale of its gas. In addition, as a giant company, Exxon offers security and stability thanks to its links with and influence on the American administration.

Table : New Institutional Organization of LNG Qatari Sector after the integration of QP'subsidiaries QatarGas and RasGas on 2018.

QP LNG Subsidiary	QatarGas						
LNG Projects	QatarGas1	QatarGas2	QatarGas3	QatarGas4	RL	RLII	RL3
Venture type	Transfer	Integrated	Integrated	Integrated	Integrated	Integrated	Integrated
Trains (T)	1 / 2 / 3	4 / 5			1 / 2	3 / 4 / 5	6 / 7
Trains Capacities (mt/y)	3.3 / 3.3 / 3.3	7.8 / 7.8	7.8	7.8	3.3 / 3.3	4.7 / 4.7 / 4.7	7.8 / 7.8
Process method	APCI / APCI / APCI	AP-X / AP-X	AP-X	AP-X	APCI / APCI	APCI / APCI / APCI	APCI / APCI
Project Capacity(mt/y)	9.9	15.6	7.8	7.8	6.6	14.1	15.6
Total Capacity (mt/y)	**77.4**						
Strat-up	1996	2009	2010	2011	1999	2009	2009
Shareholders and Ownership Structure (%)							
QP	65	67.5	68.5	70	63	70	70
Foreign Partners	35	32.5	31.5	30	37	30	30
Exxon- Mobil (US)	10	24.2			25	30	30
Total (France)	10	8.4					
Conoco- Phillips (US)			30				
Shell (UK- Holland)				30			
Mitsui (Japan)	7.5		1.5				
Marubeni (Japan)	7.5						
Itochu (Japan)					4		
Kogas (Korea)					3		
Minority Stakes					5		
Main Markets							
Asia	Japan		Asia	Asia			
Europe	Spain	UK	EU	EU			
America			US	US			

Sources: 7 own analysis based on QATARGAS, QP, and QNB.

7.3 Global Oil and Gas Policy: The Liberalisation

7.3.1 "Washington Consensus" and Liberalisation

John Williamson was the architect of the term "Washington Consensus". The initiative was designed in response to the economic crisis and debts in Latin America during the 1980s and 1990s. It refers to a list of ten economic reforms. These are: (1) Fiscal Deficits, (2) Public expenditure priorities, (3) Tax Reform, (4) Interest rates, (5) The Exchange Rate, (6) Trade Policy, (7) Foreign Direct Investment, (8) Privatisation, (9) Deregulation, and (10) Property rights (Williamson 1990). For its part, Stanley Fisher, one of the three first discussants of Williamson's working paper[99], summarizes the aspects and policies of the Washington Consensus in four main areas: (1) A balanced economic framework, (2) A smaller and more efficient government, (3) an efficient and expanding private sector, and (4) policies aimed at poverty reduction (Williamson 1999: 97-8).

Stiglitz remarks that the Washington Consensus consists of three main policy advices: fiscal austerity, privatisation, and market liberalisation (Stiglitz 2003: 53-4). These policies were unilaterally promoted by the neoliberal capitalist elite led by Ronald Reagan and Margaret Thatcher. Developed Western countries aggressively imposed the reforms on developing and newly independent economies, especially in the 1980s for countries involved in the debt crisis and in the early 1990s (Stiglitz 2003).

The Bretton Woods international organizations were the main instrument (and resources) for the promotion of these policies. Institutions such as the International Monetary Fund (IMF), the World Bank (WB), the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD), and the World Trade Organization (WTO) (formerly GATT) seek a solution to the economic problems of developing countries through a set of liberalisation and structural adjustment programs that have been linked to the loans granted by credit agencies. "Stabilize, privatize, and liberalize" became the mantra of a generation of technocrats who cut their teeth in the developing world and of the political leaders they counselled[100]. These economic measures promoted by the Washington Consensus resulted from the implementation of the IMF and WB Structural Adjustment Programs (SAP). The technocrats and economists, especially from the IMF and WB, were harshly criticized by Stiglitz for the

[99] The three American discussants were Richard Feinberg (then at the Overseas Development Council), Stanley Fischer (then Chief Economist at the World Bank), and Allan Meltzer (then, as now, a professor at Carnegie-Mellon University).

[100] Dani Rodrik. Goodbye Washington Consensus, Hello Washington Confusion? Harvard University, January 2006.

superficial diagnoses and inaccurate recommendations and reports that are sometimes copied and pasted from one country to another (Stiglitz 2003).

These structural adjustment measures were crucial and important for the integration and insertion of developing countries into the global economy. These processes of economic integration were based on labour movements and low labour costs (immigration), foreign direct investment, and low tax rates for exporting multinational companies.

7.3.2 Qatar's Economic Liberalisation

In defining economic liberalisation, we rely on Stiglitz's perspective (Stiglitz 2003), according to which the commercialization dimension is the most important one of economic liberalisation, which does not exclude other dimensions. In the context of the "Washington Consensus"[101] and under Hamad's ruling, Qatar was the most energetic country to embrace the neoliberal policies of economic liberalisation in the Persian Gulf. The purpose of these measures was to attract Foreign Direct Investment (FDI) to the economic sectors of the emirate, and especially to the energy sector where there is a need for technology and foreign funding of the private sector. Also, economic liberalisation touched other sectors like tourism, civil aviation, health care, communications, and higher education. FDI in Qatar reached \$237 million, the best result achieved in comparison with other Gulf emirates such as the UAE \$156 million, Bahrain \$92 million, Oman \$49 million Saudi Arabia \$40 million, and Kuwait \$20 million. In Qatar, as we will see in the next section most FDI went to the gas sector (Crystal 2009: 42).

Since 1995, Hamad advocated economic liberalisation with the aim of regenerating the country's hydrocarbon-based economy and opening the door for large companies to invest and do business in Qatar. The neoliberal recipe of the Washington Consensus recommends that rentier countries take attractive measures that encourage foreign capital investment in the country. For Qatar, the focus was on international oil companies (IOCs) to invest and develop the energy sector, and especially to increase the country's natural gas production capacity, which is the country's main natural resource

[101] The "Washington Consensus" is a term coined in 1989 by the American economist John Williamson, which refers to a series of economic reforms adopted in Latin America in the 1980s. In the section 7.3, I will go into detail about the conception of the term.

and the third largest reserve in the world after Russia and Iran. The result of this opening was the arrival of large oil companies - Total, ExxonMobil, ConocoPhillips and Shell - in the country to develop new liquefied natural gas plants. This diversification of investor origin was intended to encourage competitiveness and improve the negotiating position of the Al Thani rulers. But among these partners, ExxonMobil was the best positioned partner in the list of alliances signed by the governing Qatari elite. Former Energy Minister Al-Attiyah said in the interview we had with him in 2016 that he would like "this alliance to last a lifetime [Perpetual]"[102].

In 1997, the process of reforming the property law began and that was an indispensable condition to facilitate the sale and purchase to foreign investors, because before foreign investors required local partners. This legal battery issued by *Emiri Decree* will permit these investors 100% ownership in some areas. In this sense, foreigners were initially allowed to be capitalist partners in the formation of companies. Later on, in 2000, it was decided to increase the degree of openness for foreign investment and the same year, Law No. 13 established the legal framework for foreign investment. And in 2004 new amendments to this law regarding the conditions for investment were incorporated. The new property reform allows foreign investors to own up to 25% of the shares of companies listed on the Doha stock market, with a focus on the financial services and insurance sectors. However, this threshold was increased by Law No. (9) of 2014, which amended Law No. (13) of 2000, Law No. (9) of 2014 allowed foreign investors to own up to 49% of shares of listed companies with the approval of the Ministry of Commerce and Industry, and more than 49% with the approval of the Council of Ministers.

The successful entry of foreign capital and its impact on the development of the country according to Qatari authorities, has led to a more extensive openness to the outside world through the standardization of a national legal and regulatory environment for businesses in accordance with international standards, facilitating the operation of global companies in Qatar. The government has taken other steps to increase the attractiveness of foreign direct investment, including the enactment of Law No. (13) of 2000, which was repealed by Law No. (1) of 2019 for the regulation of investment of non-Qatari capital in the economic activity (the "Foreign Investment Law"). The Foreign Investment Law states that foreign investors may invest in all economic sectors and hold up to 100% of the share capital, as determined by the executive regulations of the law.

---

[102] Interview with Al-Attiyah, December 27, 2016. Doha, Qatar

This law explicitly excludes its application in the banking and insurance sector and provides foreign investors with certain fiscal incentives, such as exempting non-Qatari investment projects from income tax. The 2010 Tax Law imposes a 10% flat rate for all non-Qatari companies and foreign partners in Qatari companies, except for the energy sector where a 35% tax rate applies to oil and gas operations, unless exempted by *Emiri Decree*.

Qatar's ruling elite focused the economic liberalisation on the vectors of the economy. The state wanted to reorganize itself and take advantage of a partial economic opening to give a boost to economic and social development. The reform in the Qatari context was calculated and limited and did not mean liberal-style liberalisation, i.e., a free market. Qatar state capitalism has focused on increasing the capacity and the leadership of state-owned enterprises in the economy. In light of this controversy, Bremmer (2009, 2010) considers that state capitalism is a threat to the free market and the global economy. According to capitalist state scholars, the Qatar ruling elites use SOEs as tools to extend their political and economic power in the domestic and international industry and market (Bremmer 2010; Kurlantzick 2016). We validate this argument because the ruling Sheikh Hamad and his inner circle (Hamad Bin Jasim, Abdullah Al-Attiya, Ibrahim Ibrahim) were more pragmatic and market-minded.

Also, economic liberalisation has meant the development of the private sector and involved Qatari business in mobilizing private capital for the purpose of creating wealth and employment opportunities for the country's nationals (Winckler 2009). Foreign direct investment in Qatar had an impact on the size of economic activities, exports and public spending (Shotar 2005). The process of opening up, privatisation and Qatar's accession to the WTO resulted in economic growth and increased profits for Qatar and its transnational capitalist elite.

As we have seen, international organizations such as the IMF, the World Bank and others put pressure on Qatar and pushed it to integrate into the global economy and to liberalize the economy and the energy industry sector to access the benefits of the international market (capital, etc.). In this sense, and given the weakness of the hydrocarbon economy, Hamad had no choice but to embrace this path to increase the country's income and improve its power resources, especially the state and the gas sector. In this respect, Dr. Ibrahim Ibrahim, Secretary-General of the General Secretary Development Planning was the most influential person in economic affairs, being an advisor to Hamad since 1988 and the founder secretary of the governmental agency in 2006 ("almost every plan and process is going through Dr. Ibrahim's desk")[103].

FDI is a very controversial issue, and there are several perspectives and studies on its essence and its relationship to development and equality. For the neoliberals, foreign investment brings money, skills and technology to the host countries, helping these economies grow and develop. As foreign investment in a country increases, technology transfer and the acquisition of new skills arise. Therefore, workers in these developing countries benefit and their wages increase. From the opposite perspective, Dixon & Boswell (1996) argue that the FDI increases levels of inequality in developing countries. They explain that the FDI is focused more on improving financial revenues than on improving a country's economic performance; and that governments that establish an attractive business climate for foreign investors often implement various measures (tax breaks, energy subsidies) that could harm the overall national economy. Foreign capital penetration fosters income inequality (ElGindi 2016).

According to Stiglitz (2003) Foreign investment is not one of the three pillars of the Washington consensus, but it is a key part of the new globalization. FDI has played an important role in many success stories in the development of countries such as Singapore and Malaysia and China, these countries stopped the abuses of foreign investment in terms of capital and took advantage of access to markets and new technologies that played a key role. For the author, the FDI only comes at the price of undermining democratic processes, particularly in investments in mining, oil and other natural resources, where foreigners have a real incentive to obtain concessions at low prices. Such investments suffer other adverse effects and do not promote growth. The overall income from mining concessions can be substantial, but development is a transformation of society. The flow of resources can sometimes block development, through a mechanism called "Dutch disease".

7.3.3 Liberalisation of Energy Sector

The liberalisation has been introduced in the world economy sectors, with the exception of the oil and gas sector, which does not comply with the rules of the free market and foreign direct investments.

[103] Arabian Business 2012. https://www.arabianbusiness.com/arabian-business-qatar-power-list-2012-443489.html

Liberalisation as an effective opening up to competitive forces is considered an important step to improve industry performance and efficiency (Nickell 1996). Vickers & Yarrow (1988) give two principal reasons why competition might improve industry performance when public enterprise exists: first, internal efficiency of the state-owned enterprise might be enhanced by the disciplining effect of competitive threats; and secondly, competition creates opportunities for innovation of new products and processes.

For the upstream sector of a particular country to be truly liberalized, the following elements should be in place: 1) Free and fair access to exploration acreage, drilling rights, etc. without limitations on ownership (licensing regime). 2) Non-discriminatory and non-prohibitive taxation of upstream production. 3) Non-discriminatory access to infrastructure for evacuation of hydrocarbons, or alternatively the purchase of production at market prices through the NOC or government. Some of the requirements shown here are based on the (WEC 1998).

The upstream segment can be seen as the sum of many different single projects. In theory, this project-based industry structure makes it reasonably easy to introduce new competitors by way of new project tenders. In mature hydrocarbon provinces, where there are no significant new tenders coming up and NOCs dominate the industry, it may be required to sell existing producing assets to new competitors.

The key activities to be liberalized in the downstream are typically oil and gas imports (in case of net importing countries), as well as refining and marketing of oil products. The key criteria are the absence of entry barriers throughout the downstream chain, the absence of price or sales controls, and a regulatory oversight against discriminatory practices, e.g. effective market foreclosure by the dominant, vertically integrated firm (WEC 1998).

In a liberalized competitive environment, IOCs are free to challenge the incumbent NOC either through their own projects or activities, or they could partner with the NOC in other projects – for example in *joint ventures* - when there is a common interest to do so. In some countries, as set out above, the opportunities for IOCs are legally restricted to *only* engage in joint projects with the NOC, often in a junior or secondary role.

The 1980s were the beginning of the liberalisation and privatisation of the energy sector, according to Pollitt (2012). This author concludes that energy liberalisation increased the efficiency of the sector worldwide, but without clear benefits for households in many countries. For him, the energy liberalisation has been a significant expression of the general trend towards liberalisation of the economy:

"It has significantly improved the governance of monopoly utilities (via independent regulators), the prospects for competition and innovation, and the quality of policy instruments for environmental emissions control (through the emergence of trading mechanisms)" (Pollitt 2012).

The Qatar energy sector reform was aimed to improve the efficiency and production of the oil and gas industry as well as to create a competitive business environment where the private sector can develop and grow. The state promoted the creation of alliances between Qatari and foreign companies for the transfer of knowledge and launched business ventures. With economic liberalisation, the Qatari state was attempting to provide an attractive investment climate to convince foreign entrepreneurs to seek business opportunities. Similarly, political liberalisation with a low profile was intended to demonstrate a democracy of appearance.

7.3.4. Qatar Investment Authority and Global Investment Abroad

QP and the Qatar Investment Authority (QIA) generally use two main instruments for their investments abroad: such as Outward Foreign direct Investment (OFDI) and/or Mergers and acquisitions (M&As). QIA was formally established as Sovereign Wealth Funds (SWF) in 2005. SWFs are government-owned investment funds with no pension liabilities. QIA is controlled by the royal family with a capital fund of $75($bn); in 2019, assets under management reached 304 ($bn). The QIA is one of the ten largest sovereign wealth funds in the world; and its capital comes from Qatar's oil and gas. Its global investments reflect also the Qatari ruling elite's goal of transnational accumulation of power through international recognition (legitimacy). It is headquartered in Doha, with a subsidiary in New York, the Qatar Investment Authority Advisory-USA. Its vision "is to be recognised as a world-class investment institution and to become the partner of choice for investors, financiers and other stakeholders"[104].

QIA invests across five continents, with a highly visible presence in the European, US and Asian markets. Qatar's global investments are destined for large financial centres or cities where the Transnational Capitalist Elite (TCE) is concentrated. The QIA is part

[104] QIA, https://www.qia.qa/About/OurMission.aspx

of a consortium that owns Britain's biggest airport, Heathrow Airport, along with Spanish Ferrovial, China Investment Corp and others. QIA is also indirectly part of the UK's second largest airport, Gatwick, bought in 2009 by Credit Suisse (where QIA has a six per cent ownership) and US-based General Electric under the name Global Infrastructure Partners. Qatar also owns 20 per cent of the London Stock Exchange. These are some of the examples of the global finance strategy of the Qatari transnational capitalist elite. In these macro-investments, the TCEs cooperate and share interests with the aim of making profits or sharing losses. Table 5 shows its major holdings in key markets, reflecting a broad range of interests in some of the world's most important manufacturing and financial actors. QIA tends to invest in well-located, high-quality real estate assets and, in particular, in warehousing and logistics facilities that support the expansion of global supply chains. It also invests in power and gas distribution and clean energy sources (i.e., Iberdrola). Similarly, core infrastructure assets also attracted considerable interest and capital flows.

Table 6 Qatari banking system and interlocking directorships

Total no. Of banks (assets $US bn)	% assets held by top two banks	Top two Banks	State ownership	Interlocking directorships
17 (329.2)	62.0%	Qatar National Bank	Qatar Investment Authority (51.93%)	Darwish Holding, Buzwair Group, Qatari Diar, Qatar Airways, Ooredoo, Hassad Food Company, Doha Film Institute, Ras Al Khaimah Cement Co., Qatar Shipping Co., Al-Safwa Islamic Financial Services, Qatar Navigation, Qatar Petroleum, Investcorp Bank, Housing Bank for Trade and Finance (Jordan), Doha Bank, Qatar Electricity and Water Co., International Bank of Qatar, Mannai Corporation, Readymix Qatar, Qatari
		Commercial Bank of Qatar	Qatar Holding (16.83%)	Al Fardan Group, National Bank of Oman, United Arab Bank, Qatar Gas Transport, Vista Cargo Services, Abdullah Bin Ali & Partners, Qatar Cinema and Film, United Development Company, Qatar Insurance Company HBH Al Mulla & Sons

Sources: 8 (Hanieh 2018, 104)

Qatari banks support Qatari state-owned enterprises. The Qatar National Bank operates in Lebanon, Egypt, Syria, Iraq and Tunisia. The ruling elite has also directed the investment of sovereign wealth funds towards supporting and protecting national SOEs at home and abroad. The globalisation of the gas industry is one of the objectives of the QIA sovereign wealth fund and is reflected in its investment strategy.

Table 7 Geographical distribution of investments from QIA, QP and others Qataris entities

Region									
Europe					**North America**	**Latina America**	**Asia**	**Euro-Asia**	**Africa**
Germany	**France**	**UK**	**Spain**	**Suisse**	**US**	**Brazil**	**China**	**Russia**	
Hochtief (11,1%)	Total (5%)	Shell	Iberdrola (10%)	Credit Suisse (10%)	City Center DC	Banco Santander Brasil (6%)	Agricultural Bank of China	Rosneft (19.5%)	Cap (Rhir, Cantin, Walidia) Deep, (30%) Morocco
Porsche (10%)	Suez	Barclays (10%)	Colonial 13%	Glencore	Fortress Investment Group LLC	Qatari Diar Brazil property fund	Industrial and Commercial Bank of China		Port City Mombasa (Kenya)
Volkswagen (17%)	LVMH (Dior,...) (1%)	Bellway PLC	El Corte Inglés		Fisker Automotive		Sino-Singapore Tianjin Eco-city		
Deutsche Bank	PSG Club (100%)	Cadbury Schweppes	IAG (9,9%)		Miramax Films				
	La Fermiere Casino Cannes (22,7%)	Chelsfield Partners	Prisa		Primus Pacific Partners				
	Lagardère (12,83%)	Grosvenor Sq	BeIn (Mediapro)		Tiffany				
	Veolia (5%)	Harrods (100%)	**Port Tarraco**		US Real Estate Opportunities				
	Vinci (5,5%)	Sainsbury (26%)			American Airlines (10%)				
	Societé Fonciere Lyonnaise (22%)	Olympic Village (100%)			Empire State Realty Trust				
	La Tanmeur (85%)	Songbird Estates			Uber				
	Roayal Monceau (100%)	Airport Heathrow London (20%)							
	L'Elysée (100%)	The Shard (100%)							
		London Stock Exchange (20%)							
		Xstrata (5%)							

Sources: 9 Own elaboration, he percentages of capital invested are for different years between 2015-2020. The value changes depending on the market and the decision of the Qataris to increase or reduce the investment.

Chapter 8: General Conclusions: QP and Globalising Gas

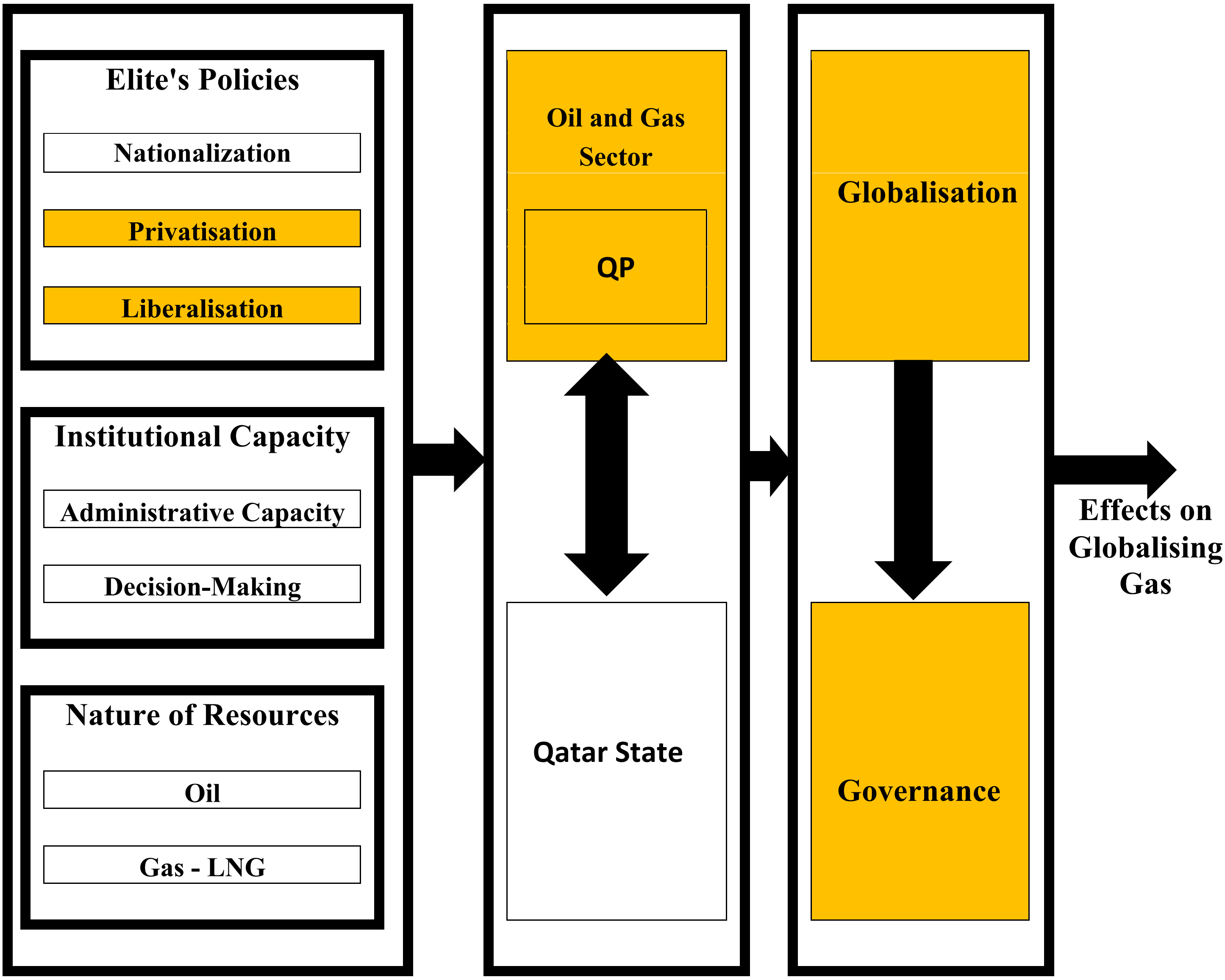
8.1 Introduction

The purpose of this research has been to analyse the patterns driving the governance and globalisation of QP. In the introduction of the thesis, we proposed three main patterns which were chosen according to their analytical and explanatory capacity. The development of the thesis has not fundamentally altered this approach, which has broadly maintained its initial structure, with some second order adjustments. The research question is complex and is based on a number of premises.

I would rather say here that this chapter concludes the analyses carried out in the preceding chapters and summarizes the findings. In section 2.1, we focus on the power of the Al Thani's family and QP's objectives. In section 2.2, we set out the main conclusions on governance of QP. In section 2.3, we examine the process of globalisation. These two processes, governance and globalisation, have proven particularly difficult to explain. In the following section 3, we consider how to extend our findings, both to topics that were not in our original research design. And finally, in section 4, we will briefly reflect on the theories, interpretations and data used in this thesis.

Figure 4 illustrates in schematic form the research design of our thesis. The three patterns on the left of the figure influence decisions about the organization of the country's petroleum sector. This organization establishes the national mission, objectives, functions and interactions of QP. These patterns, in turn, help define the governance and globalisation of QP, located on the right-hand side of the figure. This thesis has analysed the three patterns and factor-patterns on the left-hand side of the scheme: (1) Qatari ruling elite policies, including nationalization (Chapter 6), and liberalisation and privatisation (Chapter 7); (2) Qatari institutional capacity (administrative capacity and Decision-Making) (Chapter 7); and (3) and how the resource nature and geological conditions influence Qatar's choice of the NOC as the most suitable way to organize its petroleum industry. Privatisation and liberalisation policies (in yellow) are the most important factor-patterns in the governance and globalisation of QP and its oil and gas sector.

Figure 4 Revised schematic research design for this thesis



8.2 Main Findings: Explaining Governance and Globalisation of QP

8.2.1 Al Thani's power and QP's Objectives

8.2.1.1 [Trans]national Accumulation and Sociology of Power

The Al Thani ruling elite has survived the competition for power on a national, regional and international level, by opting for policies aimed at increasing their differential accumulation of power. The Al Thanis and some closely related Qatari tribes have struggled to be recognised by foreign powers in 1868. In 1926, however, they signed the treaty of protection and achieved a good position in the oil negotiations of 1935. Qatar's political elite managed to control the oil and gas resources to retain and accumulate power. The O&G industry structure became the major resource of power for the monarchy's elite. Losing this resource means to lose power (as to lose the control of the state means to lose the energy sector). Therefore, the primary elites have made rational and strategic decisions in the O&G industry in order to perfect their ability to retain and accumulate power. The decision to expropriate foreign firms and to nationalize natural resources is incentivized by the net benefits that elite leaders expect from the expropriation compared to keeping investments in private firms (Bueno de Mesquita *et al.* 2005; Izquierdo 2009; and Nitzan & Bichler 2013).

With the formation of the state and the increasing benefits of the ruling elite in the 1960s (see chapter 5 and 6), there was a shift from a system of diversified elites and diversified resources (this was the historical system in many territories, where the sheikh's authority neither controlled the entire national territory, nor the population and resources found therein, i.e. tribes that did not pay taxes, merchants, religious leaders, armed tribes) to another system of concentrated elites and concentrated resources, thanks to the advancement of the modern state's and control over whole territory and population. The latter system was consolidated with the Hamad Al Thani regime in power (see chapter 7).

Later, apart from controlling the natural resources of oil and gas, the Al Thani elite controls other major sources of power: the state, capital, coercion and information. The Al Jazeera Network has helped to foster the rise of a micro-state, Qatar, to become a regional geopolitical force and has become a key player in the region's ongoing political and religious processes. Sheikhs Hamad and Tamim Al Thani have invested heavily in the Al Jazeera network, including Al Jazeera English and its numerous sports and children's channels, and have created a broader trend towards the convergence of different media networks. This scheme constitutes a key strategy for gaining power and influence in the network society. Qatar's investment in the Al Jazeera network is thus part of its ongoing effort to build a network of media, financial and military 'nodes' (accumulation of power) in order to promote foreign policy (see chapter 7).

In the context of globalisation, the Al Thani elite responds to the logic of neoliberal ideology, opting for a transnational accumulation of power to improve its position at both national and transnational/global levels. As Robinson (2011) reminds us, globalisation is “a viable strategy” in a context in which capital and state, and the respective elites, were seeking new forms of power accumulation. “Going global” allowed the ruling elite new forms of accumulation of power in different global and transnational circuits of accumulation. The globalisation of QP is an opportunity for the Qatari political elite to increase the capacity of this powerful resource, and to integrate into the network of the transnational elite. In the context of economic globalisation, the nation-state has internationalized and subordinates itself to the logics of the capitalist market, disintegrating the economy of society, as stated by (Cox 1996b). The Al Thani elite has implemented policies that facilitate globalisation, such as liberalisation, and privatisation and foreign investment, as well as alliances with large TNCs and globalisation agents.

Qatari statecraft is inspired by the Singapore model in its vision [both belong to the small states category] to position itself at a global level[105]. And, by globalizing Qatari SOEs, the elite will be able to use them as an instrument of internal and external policies to compete with TNCs in global markets. "Qatar, again, is an exception; its autocratic government has used its resource wealth to build internationally competitive companies in gas-related industries like petrochemicals and fertilizer, as well as to help create other globally competitive firms" (Kurlantzick 2016: 41).

The ruling elite believed that such *grand strategy* would boost Qatar's position in the global economy and provide it with the necessary economic growth to improve this position. Consequently, this strategy would allow them to accumulate power at the transnational level through their integration into the circuits of power in markets and transnational networks. As well as their incorporation into the transnational networks of the global capitalist elite (Carroll 2010). These global alliances are a strategy to gain security for a small country subject to instability and historical aggression from its neighbours, as in the case of the 2017-2020 embargo.

8.2.1.2 Al Thani and QP's Objectives

The Qatari ruling elite lists objectives and functions of its QP:

a) Maximising profits. For the Qatari elite this is the most important reason for creating QP. Generating revenue and wealth is a fundamental function of QP, as it contributes to financing the state and boosting the emirate's economy. This revenue supports the Al Thanis' other sources of power, such as the military, information and ideology. Maximising profits is the first objective according to QP's mission.

b) Resource management. The elite grants QP a monopoly over the energy sector in order to manage it and profit from the exploitation of oil and gas resources.

"Qatar Petroleum as the custodian and developer of the oil and gas resources ... The wide spectrum of our oil and gas activities, has but one aim: the future of Qatar and its people. Our purpose is well aligned with the objectives of Qatar's National Vision 2030,

[105] Interview with David Dougan, Head, Global Governance, Doha Bank. Doha, November 30, 2012

particularly the wise management of exhaustible resources in order to sustain prosperity and "ensure that future generations inherit ample means to meet their aspirations."[106]

c) Regulation. The ruling elite delegates to QP the role of regulating the energy sector (in other producing countries such as Norway and Brazil this function is exercised by Parliament).

d) Development agent. QP is attributed with the role of developing economic and social projects and activities and contributing to the development of the emirate, such as public work projects and social development activities, building schools and roads, and providing a range of local services (see section 6.2.2).

e) Depletion policy. The Qatari ruling elite decides whether or not to explore for oil and gas, at what rate, and who should undertake such exploration. Based on proven reserves of gas and oil[107], the massification of social welfare will be achieved through the appropriate pattern of production over time (Tordo *et al.* 2011). The utilisation pattern of existing reserves is measured by the production rate (annual production as a percentage of proven reserves), which is the basis for the depletion policy. The establishment of an oil depletion policy implies committing to the corresponding quota in OPEC, although Qatar ceased to be a member in December 2018 in the context of the embargo imposed by its Arab Gulf neighbours. However, Qatar's gas depletion policy has been aggressive since 2018, with the lifting of the 2005 *Memorandum on North Field Exploitation*. Its current target is to produce 100mc/year to maintain its competitive advantage in the LNG market, against its Australian adversary.

8.2.2.1 Explaining Governance: Al Thani's Policies in the Oil and Gas Sector

In the petroleum industry, the nationalization or expropriation and the privatisation and liberalisation are controversial decisions driven by two different logics. One is driven by national accumulation and the other is driven by transnational accumulation; although the boundaries between the two are complex (Carroll 2010; Robinson 2011). With the control over the company, the elite seeks to maximize the profits of QP to accumulate capital and maintain the activities of the state. The objective of Qatar's political elite -when making the decisions about the measures of expropriation

[106] QP, https://qp.com.qa/en/AboutQP/Pages/mission.aspx [December, 2012]
[107] QP controls proved reserves of gas estimated at 858.1 trillion cubic feet (tcf), and 25.2 Thousand million oil barrels. BP Statistical Review of World Energy June 2017. https://www.bp.com/content/dam/bp/en/corporate/pdf/energy-economics/statistical-review-2017/bp-statistical-review-of-world-energy-2017-natural-gas.pdf [available: 06/05/2018]

and nationalization, and privatisation and liberalisation of the O&G industry- is for the national and transnational accumulation of power.

8.2.1.1.1 Explaining Governance: British colonial legacy

The British Empire and APOC had a major influence on the emergence of Qatar and its oil industry (see chapter 2, 3 and 4). The colonial exploitation of hydrocarbon resources, in return for royalties and insufficient revenues, was a reality unacceptable to the Al Thani ruling elite but which was nonetheless put into practice. The history of British negotiations for the exploitation of Qatari oil was a bargaining chip for recognition of the small emirate in the 1916 treaty. The 1935 concession agreement between Qatar and APOC with the sponsorship and intermediation of the British administration, resulted in APOC exercising control over all onshore production in the country until the 1950s. Between 1952 and 1972, the consortium of shareholders, i.e., the Royal Dutch/Shell Group, the Compagnie Française de Pétrole, the Near East Development Company and the Gulbenkian Group, all exercised an absolute monopoly over Qatar's resources.

At the same time, during these two decades, the “Seven Sisters” had a monopoly over oil resources in the Middle East and North Africa. This means that international oil companies benefitted the most from the revenues and a very small share is given to the host governments (see Chapter 5.3). These governments were in a continuous struggle with this colonial practice, and tried to solve the problem by renegotiating the terms and conditions, and by thinking about controlling these resources in order to maximise their share of the revenues. For the Al Thani elite, increased revenues from oil operations meant significant capital for state formation and the control of society. The effect of historical and colonial legacies on the oil and gas sector in oil-producing countries was reiterated by a number of scholars such as Marcel (2006) and Stevens (2008b). Other authors, however, such as Nolan & Thurber (2010; 2012) contradict the argument that historical legacy can explain why ruling elites have chosen to a maintain strong control over their upstream while others have preferred to work with oil companies on the ground. In short, the colonial legacy of the “Seven Sisters” and the concession system and its oligopoly were the worst practices that caused distrust in oil producing countries; especially those belonging to OPEC.

8.2.1.1.2 Explaining Governance: Nationalization

The policy of nationalization was largely a reaction to the oligopoly of the “Seven Sisters”. The struggle for “permanent sovereignty” over natural resources based on

Resolution 1803 (XVII) of the General Assembly (UN), and the dynamics of pan-Arabism were the two main driving forces behind the national control of Qatari oil resources. The ideology of soft-nationalism and sovereignty explain the motivations for the policy of oil and gas control adopted by the Qatari ruling elite of the 1970s. The oil embargo of October 20, 1973 by OAPEC and the shock of rising prices was a turning point in the power relations between the oil companies and the host governments. Since then, the policy of nationalization spread rapidly; with some measures implemented at a stroke and others implemented gradually. In the case of Qatar, there were four nationalization moves or partial expropriations in 1972, 1974, 1976 and 1977 (see Chapter 6.2). In any case, Qatar was committed to fulfil its international commitments as a member of OPEC.

QP's nationalization merges state and resource, whose control is exercised by the primary elite. The benefits of nationalization are immediate in terms of revenue and power accumulation. According to Banerjee & Munger (2004) and Li (2009) the control of decisions in the NOCs allows for the independence of the rulers to promote their political agenda. Warshaw finds that autocratic regimes with weak checks and balances are systemically more likely to nationalize their oil industries than democracies, and state leaders focus on providing benefits to a smaller circle of elites (Warshaw 2012).

8.2.1.1.3 Explaining Governance: Privatisation

Partial privatisation through the "back-door" (Al-Mazeedi 1998) has transformed QP from a state bureaucratic administration into a commercially minded entity and thus altered its identity and behaviour *vis-à-vis* state agencies. Three key changes have contributed to this transformation: the application of budget restrictions, the listing of QP subsidiaries on foreign stock exchanges, and the listing of foreign investors and its subsidiaries on the Doha Stock Exchange. The ruling Qatari elite reduced the national budget of QP and its subsidiaries, forcing them to become profit- and market-oriented.

In addition, by listing its subsidiaries abroad, QP and its subsidiaries have to abide by the standards, rules and practices of the Securities and Exchange Commissions (London, New York, Singapore) and respond to the concerns of foreign shareholders. For example, QP owns 45% (Italy), 67.5% (UK) and 70% (US) of three regasification terminals. In addition to encouraging profit orientation, the listing of QP and its subsidiaries has also increased its ability to raise capital for its overseas expansion in the private capital markets. The listing of QP's subsidiaries on Western stock exchanges has contributed to making them more profit-oriented and has improved their access to finances for overseas investments. As a majority shareholder, the Qatari state is concerned with the market value and performance of the companies. According to Megginson & Netter (2001), the privatisation of larger SOEs' public offerings seem to be the preferred route, because they offer the economic advantages of organized capital markets.

Global economy forces and national ruling elites promote neoliberal policies to attract capital flows and foreign investment. And privatisation increases the ability of QP and its subsidiaries to invest overseas and going global.

8.2.1.1.4 Explaining governance: Liberalisation

The liberalisation of the domestic energy sector and market is strongly interlinked with the partial privatisation of QP and its subsidiaries. In Qatar, the lifting of controls on foreign participation of IOCs in the oil and gas energy sector provided QP and its subsidiaries with the financial resources to venture into overseas investments. The company saw its revenues more than triple in the 2000s, hence the investment of this surplus in international markets through various instruments was mainly coordinated by the state wealth fund QIA. In short, liberalisation and domestic competition also created incentives for foreign investment.

The Qatari elite, led by Sheikh Hamad, has promoted the creation of alliances between Qatari and foreign companies for knowledge transfer and joint ventures. Economic liberalisation provided an attractive investment climate for large international companies. Subsequently, and after the 2008 economic crisis, QP and its subsidiaries intensified their partnerships with IOCs to invest in many global projects in Europe, Africa and the USA.

Sheikh Hamad's neoliberal-style economic reform has had an impact on the SOEs that constitute the core of the Qatari state capitalist system. The relaxation of restrictions or regulations in the energy sector has intensified the governance, profitability and prospects for expansion and globalisation of state-owned companies such as QP and QIA. This liberalisation provided them with more room to operate in a market environment offering new potential customers and, increasingly, the possibility to operate and invest abroad.

8.2.1.2 Explaining Governance: Institutional Capacity

Studying the Qatari case, we have found that the sector is governed by the principal governance model (elite ruling) agent (QP). The Emir as chairman of the Supreme

Council for Economic Affairs and Investment is the one who dictates the policy of the national company, its budget, appointments, investments, or contracts with IOCs.

The Qatari ruling elite established the Principal-Agent model as the governance system of their state-owned enterprise QP during its creation in 1974. This system allows the Qatari state to act as the principal authority, delegating to its agent QP the national mission, the objectives and the functions to be developed. During the wave of nationalization of resources many governments have opted for this system of organization for the creation of SOEs in the oil and gas sector.

In Qatar's energy sector, there are fewer institutions involved in decision-making due to the lack of civil society participation. Decision-making is hierarchical and dominated by the involvement of a strong political actor. The centralized system of government allows the Emir to define responsibilities clearly, reducing the need for company management to be involved in public or inter-agency debate about policy choices outside its business remit. Frequently, the structure of the national petroleum sector is the product of the prevailing ideology and the political system. The oil and gas sector structure has also been found to be an extremely important factor in explaining the NOCs' role and performance (ESMAP 2007). The structure also determines public sector governance within the country, which also informs the NOC's behaviour (Myers & Lahn 2006). In addition, international obligations and contracting arrangements with International Oil Companies, OPEC, FECG and World Trade Organization can play an important role in constraining QP behaviour and strategy.

The Qatari government and QP as well as the NOC are thus separate actors, who can share a common agenda and objectives, but in reality, often have quite divergent views. As scholars argue (Ross 2013, Grayson 1981, and Van der Linde 2000). NOCs are created as agents of their principal-states because its mission as agents is easier to control than foreign oil companies; this model makes it easier for the political elite to control the company and resource rents. Waelde (1995) remarks that governments use NOCs to control foreign companies involved in the development of the oil and gas industry. The former cannot be trusted in the eyes of governments; in the sense that they can lose control over rents and the process of resource extraction. The objective of the Qatari ruling elite is that, as far as possible, strategic sectors such as the oil and gas sector are occupied by powerful Qatari companies that are internationally competitive.

According **to** Meckling *et al.* (2015)**,** the institutional and administrative organization quality of an NOC influence its governance, internationalization and globalisation strategies. The Principal-Agent institutional organization facilitates better interaction with the speedy dynamics of the global market. Hults *et al.* (2012: 64) finds in his research that "NOCs are generally higher performing when state institutions exercise power over the company through a centralized government authority". Applying this hypothesis-conclusion to Qatar, the same result has been found, because decision making in its bureaucratic system is centralized and falls under the principal authority of the Emir.

2.1.2.1 Explaining Governance: Administrative Capacity

Since 1990, Sheikh Hamad reformed the governance of the oil sector; he delegated the management of all operational decisions of QP and its subsidiaries to Minister Al-Attiya[108]. Hamad intervened at the end to approve large-scale oil and gas investments. Thus, the entire administrative bureaucracy of the state is a mere formality and has to streamline the processes related to QP and its subsidiaries. QP and its subsidiaries require approval of foreign acquisitions based on the amount of capital expenditure. The approval process is a key mechanism of royal intervention in QP's governance and globalisation process. Although QP and its subsidiaries' overseas investments are profit-driven, they are almost always affected by foreign and security policy decisions, with Qatar being a country in an unstable region (Aarab, 2014). In November 2018, in order to rationalise the energy sector, the ruling elite separated the Ministry of Energy Affairs from the Ministry of Industry. This resulted in a unified sector where Saad Sherida Al-Kaabi was appointed Minister of State for Energy Affairs and Cabinet member of the State of Qatar, and Deputy Chairman of Qatar Petroleum, in addition to his position as President & CEO, and integrated in other institutions as QIA. This senior executive enjoys direct access to the emir and allows him to override other institutions involved in the governance of the energy sector. Many motivations are behind this reform, some related to the market (low oil and gas prices 2014) and some related to geopolitics (Qatar's embargo 2017-2020), but we believe that the rapid change of the world energy map and the emergence of new competitors (US Shale gas and Australian LNG) and markets was the main reason for this reform and hence, the integration of the two subsidiaries QatarGas and RasGas to become the global LNG giant QATARGAS. The importance of unified control helps explain why QP and its subsidiaries are competitive and expanding overseas. Qatar has had three oil

---

[108] Interview with Al-Attiyah. December 2016, Doha

ministers from 1992 to 2020, and this sends reliable signals about the stability of its energy policy.

In addition, the two main state-owned banks controlled by the Ministry of Finance, the Qatar National Bank (QNB) and the Commercial Bank of Qatar (CBQ), are aligned with the overall expansion strategy of QP and its subsidiaries. These banks are facilitators for borrowing and funding from the financial markets. Thus, financial support from the state played an important role in enabling QP and its subsidiaries to expand in the 2000s. Also noteworthy is the capacity of the Ministry of External Affairs to conduct energy diplomacy to facilitate and promote energy deals abroad.

The ruling elite uses the State Audit Bureau (SAB) to monitor QP's behaviour and scrutinise its performance and accounts. QP can be said to be a state within the state of Qatar, given the scale of its domestic and international activities and operations. Therefore, the SAB is an important control mechanism that provides extensive oversight over other state actors. It should be recalled that the board of directors is political in profile with no non-Qatari expert members.

2.1.2.2 Explaining Governance: Decision-Making

The Qatari bureaucratic decision-making system is centralised in the principal authority. The principal-agent institutional organisation facilitates better interaction with the fast-moving dynamics of the global market. Hults *et al*. (2012) conclude in their research that "NOCs tend to perform better when state institutions exercise power over the firm through a centralised government authority". Rapid decision-making in Qatar explains the qualitative institutional capacity in the energy sector and the state's commitment to QP's overall strategy. QP's managers and their subsidiaries have the facility to run the company, while at the same time managing the political relationships necessary to thrive in an environment controlled by the Al Thani family.

Since the early 1990s, QP has had highly skilled senior managers working with Minister Al-Attiya. Perhaps the performance of this management team and their long experience are the driving force behind the turnaround at QP. In global business magazines, it is common to focus on Al-Attiya as the manager of QP's transformation in its governance and globalisation. The company is the "jewel in the crown" of Qatar and is a desirable employer for the Qatari youth. At QP, most performance problems are structural rather than managerial in origin, since managers have less impact on strategy[109].

---

[109] Anonymous Interview former advisor QPI. December 2016, Doha

8.2.1.3 Explaining Governance: Nature of Resources

QP was created after APOC took on the initial exploration of territory in the 1930s, which is the riskiest part of the oil industry, and which was completed once the reserves had been proven and the production system was commissioned in 1949. Once the resources were found and exploited, the role of technical skill and risk capital management diminished, which facilitated the decision to nationalise the resources by Sheikh Khalifa Al Thani in the 1970s. But with the gas industry involving high capital and investment risk and technology, this forced Sheikh Khalifa and later Hamad to establish strategic alliances with IOCs to manage geological and market risks. The North Field has been a vast one that has required the involvement of energy giants such as ExxonMobil, Total, Shell, BP, and others.

8.2.3 Explaining the Globalisation of QP

8.2.3.1 Explaining Globalisation: From National to Global

QP was established as a national oil company and developed over three decades into a global company. In terms of its geographical scope, QP operates on five continents, and is integrated in the three main regional gas markets: the Asian, European and American markets; it has production facilities in more than three countries. QP has gone through the three processes of internationalisation, transnationalisation and globalisation. The development of the LNG industry in partnership with global oil companies was the major factor in its globalisation in the context of liberalisation and privatisation. Qatar has led the founding of the Forum of Gas Exporting Countries, which is based in Doha; and has established partnerships at a global level with leading players in regional gas markets. According to Ledesma (2009), QP is considered to be one of the few global NOCs with a presence in many parts of the world, along with Malaysia's Petronas. This is not to say that it has the size or comparability with partners such as ExxonMobil, Shell or Total.

The Qatari joint venture policy was driven to co-operate by seeking forms of partnership and collaboration with global players in the energy sector. This resulted in joint ventures in the LNG business and joint investments in global projects. These shared investments have market level impact, are very large in terms of production capacity, and have associated supply level costs and economies of scale. Qatar Petroleum, which has large gas reserves, benefits from economies of scale and has the world's largest LNG fleet to transport LNG from Qatar overseas. These alliances have enabled it to be the world leader in LNG and an influential player in the gas market.

8.2.3.2 Explaining Globalisation: Financialization and Integration on Global financial System

QIA uses various investment vehicles depending on the sector, such as Qatar Holding (real estate), Nebras Power (energy), Hassad Food (agriculture), Al Gharrafa Investment Company on the Cayman Islands and QDHP Swiss Management LTD. This last entity has partnered with Credit Suisse Asset Management to form a multi-billion-dollar direct private credit platform that will provide financing primarily in the form of secured first and second lien loans to upper middle market and larger companies in the United States and Europe[110]. It invests in both private and public property, largely in Europe. It executes an ambitious global strategy to position the small emirate on the world map (Clark *et al.* 2013). QIA has recruited senior bankers with experience in both the US and Asia[111] and is already investing heavily in these regions. In Qatar, as we have seen in sections 7.2 and 7.3, FDI inflows rose from just under \$2 billion in 2000 to over \$22 billion in 2008. At the same time, its outflow grew rapidly from \$74 million to \$8.7 billion. In 2011, the total amount of inward FDI was \$100 billion, while its aggregate capital export reached \$23.5 billion, ranking Qatar 40th in the world. Between 2004 and 2008, Qatar invested in 102 global projects, with inward FDI supporting 203 projects. Examining transnational economic linkages through the country's inward and outward Foreign Direct Investment (FDI) shows that Qatar exchanges direct investment with global oil companies such as Exxon, Total, Shell and others. In Spain, QIA has invested \$21 billion until 2020, across different industry and services sectors as (Table 5) demonstrates. Qatar develops long-term relationships to advance the trust that enables large M&A deals (Jiang *et al.* 2011).

The QIA's CEOs have generally been senior members of the royal family and thus also have other important responsibilities. Between 2003 and 2013, the QIA was headed by Sheikh Hamad bin Jassim, whose other responsibilities included positions as foreign minister between 1992 and 2013 and prime minister between April 2007 and mid-2013. During this period of more than 20 years as foreign minister, Sheikh Hamad Bin Khalifa transformed this small state into a major player in world politics. Among other things, during this period he managed (1) to establish international positions for Qatar within the

[110] https://www.credit-suisse.com/about-us-news/en/articles/media-releases/qatar-investment-authority-and-credit-suisse-asset-management-enter-into-strategic-partnership-in-the-direct-lending-market-202009.html
[111] Kerr, Simeon; Qatar's sovereign wealth fund looks to diversify in Asia and US. Financial Times (2015, June 18). https://www.ft.com/content/dd04201c-15bd-11e5-be54-00144feabdc0

GCC that were very different from those of Saudi Arabia (traditionally the dominant state in the GCC), and (2) to get very close to Western powers, with whom he established various investment partnerships. Now, QIA's Board of Directors is chaired by Sheikh Mohammed bin Abdulrahman Al-Thani and composed of 9 personalities close to the Emir. The Minister of Energy Affairs and CEO of QP, Saad Sherida Al-Kaabi, is a member of the board.

Qatari banks support Qatari state-owned enterprises. The Qatar National Bank operates in Lebanon, Egypt, Syria, Iraq and Tunisia. The ruling elite has also directed the investment of sovereign wealth funds towards supporting and protecting national SOEs at home and abroad. The globalisation of the gas industry is one of the objectives of the QIA sovereign wealth fund and is reflected in its investment strategy.

Globalisation processes reside mainly in the financial system and financial markets as Foreign Direct Investment (FDI), capital investments in shares, credit exchanges, development aid flows between countries, or monetary flows (Sinclair 1999). For Strange (1998), the state has lost its power on the financial markets. The deregulation of internal markets and the liberalisation of capital movements have undermined the autonomy of governments within the framework of their economic policies (Underhill 2000: 111). This way, the international financial structure of global markets grew *vis-à-vis* the state-dominated national financial system of central banks (Robinson 2011).

8.2.3.3 Explaining Globalisation: Global Production Networks in LNG

Global growth in liquefaction capacity has been led by Qatar, which experienced an 80% increase between 2006 and 2011 (Flower 2011). Qatar now accounts for one-third of all LNG exports, eclipsing the role of historical exporters (such as Algeria, Indonesia and Malaysia) in terms of scale and scope through exports to the Atlantic and Pacific basins. However, Australia is expected to overtake Qatar as the world's largest LNG exporter between 2021-2025. QP's expansion of its LNG producing capacity in Qatar and beyond may preserve its competitive advantage for years to come. The oil and gas markets have been affected by the globalisation of production networks. The global territorial expansion of Qatari gas through maritime export via Q-Max cargo and regasification terminals (plants) located in Europe (Adriatic LNG - Italy, South Hook LNG - United Kingdom) and the United States (Golden Pass LNG) demonstrates the process of transnationalization of Qatari LNG production. QP is integrated in three regional gas markets and exports to more than 35 countries, 80 % of its gas, however, is exported to Asia.

The change in these last two decades has been the new techno-material reconfiguration of natural gas that allows it to be moved and sold beyond the continental limits of pipelines. This dynamic of LNG makes its commercial geographic scope reach overseas beyond regional borders and scale. In this context of gas evolution, the LNG industry appears as a new business opportunity or niche in the market that generates wealth and moves capital, resources and investments. This type of business involves a complex global network of companies, extra-economic actors and intermediaries through which the production, distribution and marketing of LNG are coordinated. According to Bridge & Bradshaw (2017):

"LNG is evolving from a relatively simple *floating pipeline* model of point-to-point, binational flows orchestrated by producing and consuming companies and governed by long-term contracts, to a more geographic and organizationally complex production network that is constitutive of an emergent global gas market".

The authors provide, from a global production network approach, a systematic analysis within the economic geography of the globalisation of the LNG sector and its influence on world gas markets. In this respect, Qatar was an important factor in the evolution of the LNG industry; its commitment to the industry includes participation in the different stages of the production and market chain. In LNG transportation services, Qatar owns the largest LNG shipping fleets company *Naqilat* along with others from Shell, BP, and Mitsui O.S.K. Transportation services (intermediaries) which contribute to the growth of the gas markets; and increase the geographical expansion of the LNG trade in terms of gas sales.

Transnational supply chains and subcontracting created global networks for the production and distribution of goods and services. According to Held *et al.* (1999: 255-256) there is a direct relationship between the globalisation process and the development of global production networks for goods and services. In the oil industry, strategic alliances and cooperation agreements were developed between companies from different countries in the form of *joint ventures*. These agreements or alliances establish different types of subcontracting relationships, venture capital operations, shared risk operations, with the objective of developing specific products and entering specific markets. In this way, these strategic alliances acquire a global dimension and approach (Held *et al.* 1999: 268-269).

8.2.3.2.4 Explaining Globalisation: Integration on Gas Regional Markets

The process of trade integration of markets for goods and services was developed in parallel with the transnationalization and expansion of global production networks of goods and services (Held *et al.* 1999). Qatar's global market strategy is embodied in Qatar's huge liquefaction projects and its global participation in several regional markets, based on an ownership structure favourable to QP and its global partners. The development of Qatar's gas resources was organised around three priorities: 1) developing gas production for domestic consumption; 2) building an export pipeline (Al-Khaleej Gas Project, Barzan Gas plant and Dolphin Gas Project) to Dubai, Bahrain, Saudi Arabia, Oman and Kuwait; and 3) building LNG export facilities. Qatar's first major waves of LNG exports went to Asian gas markets, mainly Japan and South Korea. Japan's Chubu Electric Power Company was a major element in purchasing the whole early production of 5.3 bcm/year from the first two Qatargas trains.

It should be noted that the global LNG trade is highly complex as a maturing emerging business with multiple private (oil companies, banks, investors, intermediaries) and public actors involved. Therefore, there are different *joint venture* business project structures within reach. The model of the project structure to be adopted is a fundamental decision in the development of the LNG business (infrastructures in liquefaction and regasification terminals). The structure of a project affects the risk profile of the project and the type of financing and facilities. Also, the contractual relationship between the project sponsors, the legislation and the local tax regimes is relevant. Table 2 shows that the State of Qatar and Qatar Petroleum have opted for the integrated venture model, except for the first QatarGas1 project which opted for the transfer model (see section 7.2).

Many analysts in business magazines describe QP as an aggressive competitor on the LNG market, and this is due to its pricing policy and short-term contracts or flexibility in renegotiating conditions. This strategy allows it to gain ground on the European and Asian markets and to compete with Gazprom. The Qatari investment in Rosneft was a gesture to reassure the Russians, with the aim of consolidating the Forum Gas Exporting Countries cartel.

8.3 Theories, Data and Limitations: A Reflection

8.3.1 A Short Reflection

In this thesis, we examined a number of theories to see whether they help with better understanding the governance and globalization of state-owned oil companies and the oil and gas sector. Despite their important contributions to a debate that has been going on for almost four decades, they have not been able to generate a clear understanding of the NOCs phenomenon. This is not because it is difficult or impossible to explain, but because the approaches that are used are mostly from a liberal-Western perspective that focuses on performance and the economic dimension. Even the research study carried out by Victor *et al.* (2012), based on 15 case studies of the top 15 NOCs in the world came to the conclusion that it is difficult to measure performance and strategy in NOCs.

Clearly, defining the concepts of governance and globalisation at the beginning would have facilitated a better elaboration of the research design. We must add that at the beginning the literature on Qatar was very limited. This thesis fill gaps in the existing literature on the emirate in general. Particularly, in the nationalization, privatization, governance, and globalization of QP; as well as in the liberalization of the O&G sector and Qatari's oil concession.

As (Scholte 2008) argues:

"Definition is not everything, but everything involves definition. Knowledge of globalisation is substantially a function of how the word is defined. The dissection of globalisation must include a careful and critical examination of the term itself. A muddled or misguided core concept compromises our overall comprehension of the problem. In contrast, a sharp and revealing definition promotes insightful, interesting and empowering knowledge, an understanding that helps us to shape our destiny in positive directions".

8.3.2 Data and Language

Language and conflict: The literature on Qatari history is based on British colonial archives and documentation, and most of the publications to which we had access, refer to this literature. But the problem is that there is little written literature based on Qatari or Gulf Arab sources, which mostly consist of oral sources, poetry or personal memoirs. Hence, we defend the importance of the Arabic language in understanding the culture. Most books, publications and writings on Qatar are in English, and are dominated by a Western perspective on politics, economics, culture and society. These mediators of Qatari literature are not always neutral or competent to accurately convey historical and current realities. We have addressed these concerns in the first part of the thesis which are important for the analysis of Qatar Petroleum and the O&G sector. In fact, the tribal and political structures still overlap in the country's political organisation, in the oil and gas sector and in other areas. There are examples of errors in the analysis of the small emirate, due to a lack of understanding of these structures, or a lack of time on the ground, leading to erroneous conclusions. Therefore, in order not to read through the lens of others and to deal directly with the country as an object of study, the question of the Arabic language cannot be avoided.

8.4 Conclusive Arguments and Premises

Our research question is complex and is based on a number of premises. First, governance and globalisation of QP *via* nationalization, privatisation, liberalisation policies reflect the logics, the strategies and the goals of the Qatari ruling elite for the accumulation of power and survival. Second, QP's governance and globalisation might reflect the quality of institutional capacity, including administrative capacity and decision-making. Third, globalisation and governance of QP reflect the nature of the Qatari geological resources (oil, gas and LNG); the high level of risk and the difficulty of exploiting oil and gas resources are an important pattern in the development of the hydrocarbon industry. Other factor-patterns such as the colonial legacy (Chapters 2, 3 and 4) and the LNG business model (Chapter 7) are also factors, which we believe have influenced the governance and globalisation of QP in different ways.

We conclude that privatisation and liberalisation policies are the most important factor-patterns in the governance and globalisation of QP and the oil and gas sector. Throughout this conclusion, we will make nine conclusive arguments and observations. These observations are linked to features and we systematise them along two main axes as follows: a) the political-historical observations (1, 3, 4, 5, 6 and 8) are related to political leadership and the management of opportunities and problems; b) the economic observations (2, 7, 9) are related to the challenges of dependence on the hydrocarbon and pearl economy, which raises problems of financial governance and openness to foreign investment in a rentier system.

First, QP was created and exists for the reason of controlling oil and gas resources by the Qatari ruling elite. This kind of ownership allows it to control and enjoy QP's lucrative benefits. The control of the energy sector and of the profits obtained mean the domination of the two main power resources of the Qatari regime of power: the oil sector and capital. This observation can be applied to many oil and gas producing governments, mostly OPEC countries that nationalized, expropriated or created their own NOCs during the 1970s. The nationalization of Qatari oil and gas resources was done partially and gradually in four stages (unlike other countries that did it all at once, such as Libya, Algeria or Iran). Since the Qatari elite has actively sought the accumulation of power from a pragmatic position, it has opted for some concrete policies to achieve this objective. Even though, the nationalization achieved its objective in the 1970s, its unwanted consequences and unsatisfactory results in the 1980s were the main cause for the change in policy and the implementation of liberalisation policies, particularly in the energy sector.

Second, QP performed better and became a leading global company in the LNG sector, only after privatising through the "back door" and by cooperating with ExxonMobil and other IOCs. Lack of managerial and technical expertise and investment capital in a competitive sector in the world market led to poor results and crisis in the second half of the 1980s. Also, its mission of contributing to the country's development in addition to fulfilling other objectives outside the oil sector means that the company is not just focused on the objective of finding and producing oil and gas and generating profits. The dilemma of managing this "dual mission" of maximising profits and participating in the country's development is one of the main arguments of liberals, as in the case of Victor *et al.* (2012) to explain the underperformance of NOCs' governance.

Third, the Al Thani ruling elite has organised its relationship and interaction with the state-owned QP company on the Principal (State) Agent (QP) model. This governance model ensures coherence between the two parties, and avoids major conflicts of interest or positional rivalry, given that it is a small emirate with a stable political regime. This model could offer good results, as there is a unification of governmental control.

Four, the future of QP is related to the ability of the ruling elite to comprehend the change in the global energy sector. The rise of the gas industry and its fragmentation, and the emergence of new public and private players such as the United States, Australia and others, challenge QP's hegemonic leadership of LNG. The exploitation of hydrocarbon resources is becoming more and more complicated for several reasons: risks, investment, sustainability paradigm and the expansion of clean energies (such as solar and wind energy), and fierce competition on the energy market. In this sense, the ruling elite plays a very important role in terms of leadership; the loss of its current competitive advantage may cause QP to diminish its power and control in the gas industry in the near future.

Five, the leadership and charisma of Qassim Al Thani and Hamad Al Thani played an important role in the history of Qatar, the constitution of its power structure and its emergence in the international context. With the former, Qatar was founded and its existence (1868) and sovereignty (1916) were recognised under British colonial rule (Chapter 1 & 2). Under the *Emir* Hamad Bin Khalifa, Qatar was renewed with high court modernization in all sectors of the country and was projected considerably in the regional and international arenas, particularly during the "Arab Spring".

Six, "Anglobalisation" and neoliberal globalisation were two major opportunities for Qatar's emergence on the international scene and for power projection. At the time of "Anglobalisation", oil was the major factor in recognising the Al Thani elite as rulers of the territory of Qatar. The 1916 Treaty of Protection constitutes a direct alliance of interests between both parties and seeks to prevent interference and intervention of foreign powers in the territory, such as the US, Saudi Arabia, or UAE, and preserve the exploitation of its resources. At the time of neoliberal globalisation, gas has been a major factor in Qatar's emergence as a middle-ranking power in the regional and international sphere. The neoliberal policies implemented by Hamad Bin Khalifa Al Thani have increased its state capacity and turned some of its state-owned companies into global players, such as QP and QIA (SWF).

Seven, QP's strategic partnership with the major oil companies as agents of globalisation, have turned the company into a global actor in the LNG industry.

Eight, this study has shown that one of the distinctive features that played a crucial role in Qatar's achievements has to do with the leadership and pragmatism of the ruling elite (particularly Hamad Bin Khalifa) and its commitment to neoliberal policies. Thus, the ruling elite was able to persuade and establish alliances with the global elite and transnational corporations from different sectors. Moreover, it was able to attract the attention of international public opinion through the 'Qatar brand' strategy and the sponsorship of important global institutions and events such as football, media and others.

Nine, the pearl industry was a rentier system, as was later the oil industry, both of which were dependent on foreign markets. The pearl market crisis of 1929 and the emergence of Japanese competition with lower prices led to a severe economic and social crisis and caused the industry to collapse. Although it can be noted that the continuity of the rentier system, whether from the pearl trade or the energy sector, undoubtedly facilitates the continuity of the power structure and its forms of regulation.

Bibliography

`Aydarus, M. H. (1992). *Al-Mawqif al-Baritani min al-Wjud al-'Uthmani fi al-Ahsa wa-Qatar 'm 1888: Dirasa Watha'iqiya khilal al-Murasalat al-Britaniya*, Abu Dhabi: Dar al-Mutanabbi li-l-Tiba'a wa-l-Nashr.

Aarab, R. (2014). La mediación de Catar en el Mediterráneo. In R. Grasa, A. Blanc, & P. Diago, eds., *La aplicacion de la mediacion en la resolucion de los conflictos en el Mediterraneo*, Madrid: Asociacion Española de Profesores de Derecho Internacional y Relaciones Internacionales AEPDIRI & Ministerio de Asuntos Exteriores y Cooperación de España, pp. 51–60.

Abdelkarim, N. (2008). Awlawiyat as-Siyasa al--Kharijiya al-Qatariya 1868-1935. *Majallat At-Tarikh Al-Aarabi (Morrocan Historians Asociation)*.

Abu Shuk, A. I. (2017). Mu'ahadat al-Himaya al-Britaniyya 'ala Qatar 1916-1971: al-Musawwigh as-Siyasi wa al-Hadaf al-Istratiji. *Usṭūr Lil-Dirāsāt Al-Tārīkhīyah*, (6), 276–288.

Agoston, G. (2003). A flexible empire: authority and its limits on the Ottoman frontiers. *International Journal of Turkish Studies*, **9**(1–2), 15–32.

Aharoni, Y. (1986). *The evolution and management of state owned enterprises*, Cambridge, Mass.: Ballinger Pub.

Ajami, R. A. (1979). *Arab Response to the Multinationals*, New York: Praeger.

Al-Chalabi, F. J. (1989). *OPEC at the Crossroads*, Pergamon.

Al-Emadi, T. A. (2019). *Joint Venture Agreements in the Qatari Gas Industry : A Theoretical and an Empirical Analysis*, 1st edn, Basel, Switzerland: Springer International Publishing. doi:10.1007/978-3-030-12623-0

Al-Fawal, S. (1983). *Al-Binaa al-Ijtimaii Lil-Mujtamaat al-Badawiya*, Cairo: Dar Al-Fikr.

Al-Ghanim, K. A. (1986). *"Al-taḥaḍḍur wa al-taḥawwulāt fī al-tarkīb al-ṭabaqī: dirāsa ḥāla al-mujtamaʿ al-Qaṭarī" [Urbanization and Changes in Class Structure: A Case Study of Qatari Society]*, Ain Shams University.

Al-Jaber, M. (2002). Attatawwur Al-Iqtisadi wa Al-Ijima'i fi Qatar 1930-1973. Qatar University

Al-Jabiri, M. `Abid. (2014). *Fikr Ibn Khaldun : al-`asabiyah wa-al-dawlah : ma`alim nazariyah Khalduniyah fi al-tarikh al-Islami*.

Al-Khatib, M. (1998). Ottoman-British Competition in Qatar 1892-1902: In the Light of

Russian Documents. *Damascus University Journal*, (65–66).

Al-kubaisi, F. A. H. (2002). *The State Functions in the Qatari Society: A Study of the Modernization Role From 1971 to 1990*, Qatar University, Doha.

Al-Kubaisi, M. A. M. (1984). *Industrial development in Qatar, 1950-1980: a geographical assessment*, Durham University.

Al-Kuwari, A. K. (1978). *Oil revenue of the Arabian gulf Emirates: patterns of allocation and impact on economic development*, Durham University.

Al-Kuwari, A. K. (1981). Dawr Al-Machru'at Al-'amma fi At-Tanmiya Al-Iqtisadiya. 'alam Al-Maaarifa, 42 Kuwait.

Al-Mansour, A. (1975). *Political Development of Qatar: From 1868-1916 (in Aarabic)*, first edit, Kuwait.

Al-Mansour, A. (1979). *Political Development of Qatar: From 1916-1949 (in Aarabic)*, firt editi, Kuwait: Manshurat dhat As-Salasil.

Al-Mazeedi, W. (1998). 'Back-Door' Privatization Initiatives in the Gulf: An Inadequate Step. In P. Stevens, ed., *Strategic Positioning in the Oil Industry*, Abu Dhabi: mirates Center for Strategic Studies and Research/I.B. Tauris, pp. 100–116.

Al-Najjar, B. (1992). Civil Society in the Gulf and Arabian Peninsula. In B. Ghalioun, ed., *Civil Society in Arab Nation and its Role on Achieving Democracy*, Lebanon: Centre of Arab Unity Studies, p. 23.

Al-Rumaihi, M. (1977). *The Social Roots of Democracy in the Contemporary Arab Guld Societies (in Arabic)*, first edit, Kuwait: Khatema Press.

Al-Sayed, H. (2016). Qatar's Constitutional and Legal System. In *Policy-Making in a Transformative State*, Springer, pp. 37–63.

al-ʿAqqad, S. (1992). *al-Tiyarat al-Siyasiya fi al-Khalij al-'Arabi min Bidayat al-'Usur al-Haditha hatta Uzmat 1990-1991*, Cairo: Maktabat al-Anjlu al-Misriyah.

Al Horr, A., Al Thani, G., Tok, M. E., Besada, H., O'Bright, B., & McSparren, J. (2016). Qatar's Global-Local Nexus: From Soft to Nested Power? In *Policy-Making in a Transformative State*, Springer, pp. 347–365.

Alchian, A. A., & Allen, W. R. (1983). *Exchange and Production: Competition, Coordination, and Control*, Belmont, California: Wadsworth Publishing Company.

Allen, J. (2003). *Lost geographies of power*, Malden, MA: Blackwell.

Almalki, A. Y. (1989). *Public Administration in the State of Qatar : Origin , Development , Problems and Current Directions*, Golden Gate University.

Althani, M. (2012). *Jassim the Leader: Founder of Qatar*, London: Profile Books.

Anscombe, F. F. (1997). *The Ottoman Gulf: The Creation of Kuwait, Saudi Arabia, and Qatar*, Columbia University Press.

Arrighi, G. (2010). *The long twentieth century : money, power, and the origins of our times*, London: Verso.

Assembly, G. (1974). Declaration on the Establishment of a New International Economic Order. *Resolution Adopted by the General Assembly, United Nations, Resolution*, **3201**(1).

Auty, R. M. (1990). *Resource-based industrialization: Sowing the oil in eight developing countries*, Clarendon Press Oxford.

Bahry, L., & Marr, P. (2005). Qatari women: a new generation of leaders? *Middle East Policy*, **12**(2), 104.

Banerjee, S. G., & Munger, M. C. (2004). Move to markets? An empirical analysis of privatization in developing countries. *Journal of International Development: The Journal of the Development Studies Association*, **16**(2), 213–240.

Barakat, H. (1991). Contemporary Arab society: Exploratory social research. *Beirut, Lebanon: Arab Union Centre*.

Barakat, S. (2014). *Qatari mediation: between ambition and achievement*, Brookings Institution.

Barma, N., Kaiser, K., Le, M., & Viñuela, L. (2012). *Rents to riches? : the political economy of natural resource-led development.*, Washington, D.C.: World Bank. Retrieved from http://site.ebrary.com/id/10527218

Barnett, M., & Duvall, R. (2005). Power in international politics. *International Organization*, **59**(1), 39–75.

Beblawi, H., & Luciani, G. (2015). *The rentier state*, Routledge.

Bindemann, K. (1999a). Production-Sharing Agreements: An Economic Analysis, (October).

Bindemann, K. (1999b). Vertical Integration in the Oil Industry: A Review of the Literature. *Journal of Energy Literature*, **5**, 3–26.

Bishara, F. A., Haykel, S., Holes, C., & Onley, J. (2016). The economic transformation of the Gulf. In *The Emergence of the Gulf States: Studies in Modern History*, Bloomsbury Publishing, p. 187.

Boon Ochssée, T. (2012). *ExxonMobil and Qatar Petroleum: An Example of Successful IOC-NOC Cooperation*, Barcelona/Paris.

Bortolotti, B., Fantini, M., & Siniscalco, D. (2001). Privatisation: politics, institutions, and financial markets. *Emerging Markets Review*, **2**(2), 109–137.

Bradley, R. L. (1996). *Oil, gas & government: the US experience*, Vol. 2, Rowman & Littlefield Publishers.

Braudel, F. (1958). Histoire et sciences sociales: la longue durée. In *Annales. Histoire, Sciences Sociales*, Vol. 13, Cambridge University Press, pp. 725–753.

Braudel, F. (1984). *The perspective of the world*, New York: Harper and Row.

Bremmer, I. (2009). State Capitalism Comes of Age-The End of the Free Market. *Foreign Aff.*, 88, 40.

Bremmer, I. (2010). The end of the free market : who wins the war between states and corporations?, New York: Portfolio. Retrieved from http://search.ebscohost.com/login.aspx?direct=true&scope=site&db=nlebk&db=nlabk&AN=1124787

Bridge, G., & Bradshaw, M. (2017). Making a Global Gas Market: Territoriality and Production Networks in Liquefied Natural Gas. *Economic Geography*, **93**(3), 215–240.

Brouthers, K. D., & Hennart, J.-F. (2007). Boundaries of the Firm: Insights From International Entry Mode Research. *Journal of Management*, **33**(3), 395–425.

Brumberg, D. (2002). Democratization in the Arab world? The trap of liberalized autocracy. *Journal of Democracy*, 13(4), 56–68.

Brumberg, D. (2003). *Liberalization versus democracy: understanding Arab political reform*, Washington, D.C.: Carnegie Endowment for International Peace Washington, DC.

Bueno de Mesquita, B., Smith, A., Siverson, R. M., & Morrow, J. D. (2003). *The logic of political survival*.

Burns, J. M. (2012). *Leadership*, New York, NY: Open Road Integrated Media.

Cain, P. J., & Hopkins, A. G. (1980). The political economy of British expansion overseas, 1750-1914. *The Economic History Review*, 33(4), 463–490.

Cain, P. J., & Hopkins, A. G. (2016). *British Imperialism: 1688-2015*, New York, N.Y.: Routledge.

Carothers, T. (2002). The End of the Transition Paradigm. *Journal of Democracy*, 13(1), 5–21.

Carroll, W. K. (2010). *The Making of a Transnational Capitalist Class : Corporate Power in the 21st Century.*, London: Zed Books.

Carter, R. (2005). The history and prehistory of pearling in the Persian Gulf. *Journal of* *the Economic and Social History of the Orient*, 48(2), 139–209.

Castells, M. (1996). *The rise of the network society.*, Malden, Mass.: Blackwell.

Caves, R. E. (1980). Industrial Organization, Corporate Strategy and Structure. *Journal of Economic Literature*, 18(1), 64–92.

Chahdad, I. M. I. (1985). *Tatawwur Al-'Alaqat bayna Charikat an-Naft wa Duwal Al-Khalij Mundho 'uqud Al-Imtiaz AL-Oula hatta 1973*, Doha, Qatar: Matabi' Qatar Al-Wataniyya.

Chalabi, F. (2010). Oil policies, oil myths : analysis and memoir of an OPEC 'insider', London: I.B. Tauris. Retrieved from http://www.slq.eblib.com.au/patron/FullRecord.aspx?p=688270

Chalq, A. Z. (1989). Sanawat At-Tahawwul 1935-1960. In A. H. Ghanim & M. S. Hafid, eds., *Tarikh Ijtimaii Lilmarae al Qataria*, Doha, Qatar: Centre of Documents and Human Studies, Qatar University.

Chaqués, L., & Palau, A. (2006). Gobernanza. In C. B. Miquel, ed., *Manual de Ciencia Política*, 3rd edn, Barcelona: Tecnos, pp. 537–562.

Chhotray, V., & Stoker, G. (2009). *Governance Theory and Practice*, London; New York: PALGRAVE MACMILLAN.

Claes, D. H. (2001). *The politics of oil-producer cooperation*, Boulder, Colo.; Oxford: Westview Press.

Clark, G. L., Dixon, A. D., & Monk, A. H. B. (2013). *Sovereign wealth funds: Legitimacy, governance, and global power*, Princeton University Press.

Clark, I. (2011). *Hegemony in international society*, Oxford University Press.

Clark, J. G. (1990). *The Political Economy of World Energy: A Twentieth Century Perspective*, New York: Harvester Wheatsheaf.

Cohen, K. J., & Cyert, R. M. (1976). *Theory of the firm : resource allocation in a market economy*, Englewood Cliffs, N.J.: Prentice-Hall.

Coll, S. (2012). *Private empire: ExxonMobil and American power*, 1st edn, London; New York, NY: Allen Lane, Penguin.

Commission on Global Governance. (1995). *Our Global Neighbourhood: The Report of the Commission on Global Governance*, Oxford: Oxford University Press.

Cox, R. W. (1981). Social forces, states and world orders: beyond international relations theory. *Millennium*, **10**(2), 126–155.

Cox, R. W. (1982). Production and hegemony: Toward a political economy of world order. *The Emerging International Economic Order: Dynamic Processes,* *Constraints, and Opportunities. Sage Publications: London*.

Cox, R. W. (1983). Gramsci, hegemony and international relations: an essay in method. *Millennium*, **12**(2), 162–175.

Cox, R. W. (1987). *Production, power, and world order : social forces in the making of history*, New York, N.Y.: Columbia University Press.

Cox, R. W. (1993). Gramsci, hegemony and international relations: an essay in method. In S. Gill, ed., *Gramsci, Historical Materialism and International Relations*, Cambridge: Cambridge University Press, pp. 49–66.

Cox, R. W. (1996a). *Business and the state in international relations*, Westview Press.

Cox, R. W. (1996b). Globalization, Multilatiralism and Democracy. In R. W. Cox & T. J. Sinclair, eds., *Approaches to world order*, Cambridge: Cambridge University Press, pp. 528–529.

Cox, R. W. (1996c). Production and Security. In R. W. Cox & T. J. Sinclair, eds., *Approaches to World Order*, Cambridge University Press, Cambridge/New York, pp. 276–295.

Cox, R. W., & Sinclair, T. J. (1996). *Approaches to world order*, Cambridge University Press.

Crystal, J. (1989). Coalitions in oil monarchies: Kuwait and Qatar. *Comparative Politics*, **21**, 427–443.

Crystal, J. (1990). *Oil and politics in the Gulf : rulers and merchants in Kuwait and Qatar*. *Cambridge Middle East library*, Vol. 24.

Crystal, J. (2005). *Political Reform and the Prospects for Democratic Transition in the Gulf. Fundación para leas Relaciones Internacionales ye el Diálogo Exterior (FRIDE)*.

Crystal, J. (2009). Economic and Political Liberalization: Views From the Business Community. In J. Teitelbaum, ed., *Political Liberalization in the Persian Gulf*, London: HURST Publishers Ltd, pp. 37–57.

Cutler, A. C. (1997). Artifice, ideology and paradox: the public/private distinction in international law. *Review of International Political Economy*, **4**(2), 261–285.

Cutler, A. C., Haufler, V., & Porter, T. (1999). *Private authority and international affairs*, Nueva York: Suny Press.

Dargin, J. (2011). Qatar's Gas Revolution. In B. Fattouh & J. Stern, eds., *Natural gas markets in the Middle East and North Africa*, Oxford University Press.

Davies, P. (1999). The Changing World Petroleum Industry—Bigger Fish in a Larger

Pond. *The CEPMLP Internet Journal*, **6**(14).

De Cardi, B. (1978). Qatar archaeological report: excavations 1973.

Deneault, A. (2013). *Gouvernance: le management totalitaire*, Québec: Lux Éditeur.

Dietrich, C. (2017). *Oil Revolution: Anticolonial Elites, Sovereign Rights, and the Economic Culture of Decolonization*, Cambridge, UK: Cambridge University Press.

Dixon, W. J., & Boswell, T. (1996). Dependency, disarticulation, and denominator effects: Another look at foreign capital penetration. *American Journal of Sociology*, **102**(2), 543–562.

Duncan, C. (2000). Petroleum Prospects and Political Power. In J. Cilliers & C. Dietrich, eds., *Angola's war economy: the role of oil and diamonds*, Pretoria, Institute for Security Studies.

Duncan, R. (2006). Price or politics? An investigation of the causes of expropriation*. *Australian Journal of Agricultural and Resource Economics*, **50**(1), 85–101.

Dunning, J. H. (1993). *The Globalization of Business*, London: Routledge.

Economist Intelligence Unit, E. (1978). The Arabian Peninsula: Sheikhdoms and Republics. *Economist Intelligence Unit*, First quarter.

El Mallakh, R. (1979). *Qatar, development of an oil economy*, New York: St. Martin's Press.

El Mallakh, R. (1985). Qatar: Energy and development.

ElGindi, T. (2016). Natural resource dependency, neoliberal globalization, and income inequality: Are they related? A longitudinal study of developing countries (1980–2010). *Current Sociology*, **65**(1), 21–53.

Eller, S. L., Hartley, P. R., & Medlock, K. B. (2011). Empirical evidence on the operational efficiency of National Oil Companies. *Empirical Economics*, **40**(3), 623–643.

ESMAP. (2007). *Investing in oil in the Middle East and North Africa : institutions, incentives and the national oil companies*, Washington, D.C.: Energy Sector Management Assistance Programme, World Bank.

Exell, K. (2016). Desiring the past and reimagining the present: contemporary collecting in Qatar. *Museum and Society*, **14**(2), 259–274.

Fathi, S. (1994). *Jordan-An Invented Nation: Tribe-State Dynamics and the Formation of National Identit*, Hamburg: Deutsches Orient-Institut.

Fattouh, B. (2006). The Origins and Evolution of the Current International Oil Pricing

System: A Critical Assessment. In M. Robert, ed., *Oil in the 21st century: Issues, challenges and opportunities*, Oxford: Edward Elgar, pp. 41–100.

Fawcett, L. (2017). States and sovereignty in the Middle East: myths and realities. *International Affairs*, **93**(4), 789–807.

Feliu Martínez, L., & Izquierdo-Brichs, F. (2016). Estructura de poder y desafíos populares. La respuesta del régimen marroquí al Movimiento 20 de Febrero. *Revista de Estudios Políticos*, (174), 195–223.

Ferguson, N. (2004). *Empire: How Britain Made the Modern World*, London: Penguin Books.

Ferguson, N. (2017). *The square and the tower : networks and power, from the Freemasons to Facebook*, New York: Penguin Books.

Ferguson, Y. H., & Mansbach, R. W. (1991). Between celebration and despair: constructive suggestions for future international theory. *International Studies Quarterly*, **35**(4), 363–386.

Flower, A. (2008). Natural Gas From the Middle East. In Stern J., ed., *Natural Gas in Asia: The Challenges of Growth in China, India, Japan and Korea*, Oxford: Oxford Institute for Energy Studies, Oxford University Press, pp. 405–409.

Flower, A. (2011). LNG in Qatar. In B. Fattouh & J. Stern, eds., *Natural gas markets in the Middle East and North Africa*, Oxford: Oxford University Press.

Fromherz, A. J. (2012). *Qatar : a modern history*, London; New York: I.B. Tauris.

Fromm, N. (2019). Qatar's constructivist niche diplomacy: A discussion of the research findings. In *Constructivist Niche Diplomacy*, Springer, pp. 127–151.

Fuchs, D. (2005). *Commanding Heights? The Strength and Fragility of Business Power in Global Politics*. *Millennium Annual Conference on 'Facets of Power in International Relations'*, Vol. October 30, London, England. Retrieved from https://core.ac.uk/download/pdf/11470831.pdf

Gerretson, F. C. (1953). History of the Royal Dutch. vol. 4., Leiden: E. J. Brill.

Giddens, A. (1989). *Sociology*, Oxford: Polity Press and Basil Blackwell.

Giddens, A. (2013). *The Politics of Climate Change*, New York, NY: Polity Press.

Gill, S. (1997). Transformation and innovation in the study of world order. In S. Gill & J. H. Mittelman, eds., *Innovation and transformation in international studies*, Cambridge: Cambridge University Press.

Gilpin, R. (1981). *War and change in world politics*, Cambridge University Press.

Godelier, M. (2013). En guise de conclusion: Tribus, ethnies et États. In *La constante*

« Tribu »: Variations arabo-musulmanes, Paris: Demopolis, pp. 245–271.

Gramsci, A., Hoare, Q., & Nowell-Smith, G. (1971). Selections from the prison notebooks of Antonio Gramsci.

Grant, R. M., & Cibin, R. (1996). Strategy, structure and market turbulence: the international oil majors, 1970–1991. *Scandinavian Journal of Management*, **12**(2), 165–188.

Gray, M. (2013). *Qatar: Politics and the challenges of development*, Lynne Rienner Publishers Boulder, CO.

Grayson, L. E. (1981). *National oil companies*, John Wiley & Sons.

Greer, D. F. (1984). *Industrial organization and public policy*, New York: Macmillan.

Guriev, S., Kolotilin, A., & Sonin, K. (2011). Determinants of nationalization in the oil sector: A theory and evidence from panel data. *The Journal of Law, Economics, and Organization*, **27**(2), 301–323.

Hall, R. B. (2005). Private authority. *Harvard International Review*, **27**(2), 66.

Hall, R. B., & Biersteker, T. J. (2002a). The Emergence of Private Authority in Global Governance, Cambridge: Cambridge University Press. Retrieved from https://doi.org/10.1017/CBO9780511491238

Hall, R. B., & Biersteker, T. J. (2002b). The emergence of private authority in the international system. *The Emergence of Private Authority in Global Governance*, 3–23.

Hartley, P. R., Medlock III, K. B., & Rosthal, J. E. (2008). The relationship of natural gas to oil prices. *The Energy Journal*, **29**(3), 47.

Hashimoto, K., Elass, J., & Eller, S. (2004). Liquified Natural Gas from Qatar: The Qatargas Project.

Held, D., & McGrew, A. G. (2002). *Governing globalization : power, authority and global governance*, Cambridge Uk : Polity press. Retrieved from http://lib.ugent.be/catalog/rug01:000744539

Held, D., & McGrew, A. G. (2003). *The global transformations reader : an introduction to the globalization debate*, Secon edit, Cambridge, UK; Malden, MA USA: Polity Press ; Distributed in the USA by Blackwell Pub.

Held, D., McGrew, A. G., Goldblatt, D., & Perraton, J. (1999). *Global Transformations: Politics, Economics, and Culture*, Stanford: Stanford University Press.

Herb, M. (1999). *All in the Family: Absolutism, Revolution, and Democracy in Middle*

Eastern monarchies, Albany, New York: State University of New York.

Herb, M. (2009). A nation of bureaucrats: political participation and economic diversification in Kuwait and the United Arab Emirates. *International Journal of Middle East Studies*, 41(3), 375–395.

Hirst, P., & Thomson, G. (1996). *Globalization in Question: The International Economy and the Possibilities of Governance*, Cambridge, UK: Polity Press.

Hobsbawm, E. (2010). *Age of Capital: 1848-1875*, Orion Books. Hachette UK.

Hobson, J. A. (1902). *Imperialism: a study*, New York: James Pott & Company. Retrieved from http://files.libertyfund.org/files/127/0052_Bk.pdf

Horn, M. J. (1997). *The political economy of public administration : institutional choice in the public sector*, Cambridge: Cambridge Univ. Press.

Hults, D. R. (2012). Hybrid governance: state management of national oil companies. In D. G. Victor, D. R. Hults, & M. C. Thurber, eds., *Oil and governance: state-owned enterprises and the world energy supply*, Cambridge University Press, pp. 62–120.

Huntington, S. P. (1968). *Political Order in Changing Societies*, New Haven and London: Yale University Press.

Ibáñez, J. (2005). *El control de Internet: poder y autoridad en los mercados electrónicos*, Los Libros de la Catarata.

Ibrāhīm, ʿAbd al-ʿAzīz ʿAbd al-Ghanī. (1978). *Britain and Coast Omani Emirates*, Center Stu, Bagdad: Al-Irshad Edition.

Issawi, C. P. (1982). *An economic history of the Middle East and North Africa*, New York, N.Y.: Columbia University Press.

Ives, A. (2015). Neoliberalism and the concept of governance: Renewing with an older liberal tradition to legitimate the power of capital. *Mémoire (s), Identité (s), Marginalité (s) Dans Le Monde Occidental Contemporain. Cahiers Du MIMMOC*, (14).

Izquierdo-Brichs, F. (Ed.). (2012). *Political regimes in the Arab World: Society and the exercise of power*, London, England: Routledge.

Izquierdo, F. (2009). Poder y reg□menes en el mundo □rabe contempor□neo, Barcelona: Fundaci□ CIDOB : Distribuido por Edicions Bellaterra. Retrieved from http://www.digitaliapublishing.com/a/19587

Izquierdo, F., & Etherington, J. (2017). *Poder global : una mirada desde la sociolog□a del poder*, Barcelona: Bellaterra.

Jaber Al-Ansari, M. (1970). *لمحات من الخليج العربي : دراسات في تاريخ الخليج وثقافته ورجاله*

وفولكلوره الشعبي, البحرين: الشركة العربية للوكالات والتوزيع 1970.

Jackson, J., McIver, R., & McConnell, C. (1994). *Microeconomics*, 4th edn, Sydney, Australia: McGraw-Hill.

Jaffe, A. M., & Soligo, R. (2010). State-Backed Financing in Oil and Gas Projects. In A. GOLDTHAU & J. A. N. M. WITTE, eds., *Global Energy Governance*, Brookings Institution Press, pp. 107–132.

Jary, D., & Jary, J. (2005). Collins dictionary of sociology, Glasgow: Collins. Retrieved from http://www.credoreference.com/book/collinssoc

Jensen, M. C., & Meckling, W. H. (1978). Can the Corporation Survive? *Financial Analysts Journal*, 34(1), 31–37.

Jiang, C. X., Chua, R. Y. J., Kotabe, M., & Murray, J. Y. (2011). Effects of cultural ethnicity, firm size, and firm age on senior executives' trust in their overseas business partners: Evidence from China. *Journal of International Business Studies*, 42(9), 1150–1173.

Jones, G. (2000). *Merchants to multinationals: British trading companies in the nineteenth and twentieth centuries*, New York: Oxford University Press.

Jones, L. P., & Mason, E. S. (1982). Why Public Enterprise? *Public Enterprise in Less-Developed Countries*, 17–66.

Joyce, M. (2003). *Ruling Shaikhs and Her Majesty's Government 1960-1969*, London, England: Frank Cass Publishers.

Kampfner, J. (2014). *The Rich: From Slaves to Super-Yachts: A 2,000-Year History*, London, England: Hachette UK (ebook).

Kamrava, M. (2009). Royal Factionalism and Political Liberalization in Qatar. *The Middle East Journal*, pp. 401–420.

Kamrava, M. (2013). Qatar small state, big politics, Ithaca: Cornell University Press. Retrieved from http://site.ebrary.com/id/10735569

Kamrava, M. (2017). Iran-Qatar Relations. In *Security and bilateral issues between Iran and its Arab neighbours*, Springer, pp. 167–187.

Keating, A. (2005). *Mirage: Power, Politics, and the Hidden History of Arabian oil*, Amherst: Prometheus Books.

Keating, A. (2006). *Power, politics, and the hidden history of Arabian oil*, London: SAQI.

Kelly, J. B. (1968). *Britain and the Persian Gulf*, Clarendon P.

Kennett, P. (2008). Introduction: governance, the state and public policy in a global age.

In P. Kennett, ed., *Governance, globalization and public policy*, Cheltenham, UK - Northampton, MA, USA: Edward Elgar Publishing, pp. 3–18.

Keohane, R. O. (1984). *After hegemony: Cooperation and discord in the world political economy*, Princeton, NJ: Princeton University Press.

Keohane, R. O., & Nye, J. S. (2002). Introduction. In R. O. Keohane, J. S. Nye, & J. D. Donahue, eds., *Governance in a globalizing world*, Routledge London, pp. 1–28.

Khaldun, I. (2012). al-Muqaddimah, Pax.

Khatib, A. (2007). *Al-Kuwait min Al-Imara ila Ad-Dawla (Kuwait: From Emirate to State)*, 2nd edn, Casablanca: al-Markaz al-Thaqafi al-'Arabi.

Khatib, L. (2013). Qatar's foreign policy: the limits of pragmatism. *International Affairs*, **89**(2), 417–431.

Kobrin, S. J. (1980). Foreign enterprise and forced divestment in LDCs. *International Organization*, **34**(1), 65–88.

Kobrin, S. J. (1984). Expropriation as an attempt to control foreign firms in LDCs: trends from 1960 to 1979. *International Studies Quarterly*, **28**(3), 329–348.

Kobrin, S. J. (2002). Economic governance in an electronically networked global economy. In R. B. Hall & T. J. Biersteker, eds., *The Emergence of Private Authority in Global Governance*, Cambridge: Cambridge University Press, pp. 43–75.

Kooiman, J. (Ed.). (1993). *Modern Governance. New Government-Society Interactions*, London: Sage Publications.

Kurlantzick, J. (2016). *State capitalism : how the return of statism is transforming the world*, New York: Oxford University Press.

Kursun, Z. (2010). *Ottomans in Qatar: A History of Anglo-Ottoman Conflicts in the Persian Gulf.*, Piscataway: Gorgias Press.

Kurşun, Z. (2002). *The Ottomans in Qatar: a history of Anglo-Ottoman conflicts in the Persian Gulf*, Vol. 11, Isis Press.

Kuzemko, C., Keating, M. F., & Goldthau, A. (2018). Nexus-thinking in international political economy: What energy and natural resource scholarship can offer international political economy. In *Handbook of the International Political Economy of Energy and Natural Resources*, Edward Elgar Publishing.

Lautah, M. S. (1994). *Political Participation in Arabian Gulf States: A Historical Analysis and Future Vision (in Arabic)*, Cairo: Centre of Research and Political Studies.

Ledesma, D. (2009). *The changing relationship between NOCs and IOCs in the LNG chain* (No. NG 32), Oxford: Oxford Institute for Energy Studies.

Ledesma, D. (2012). The Changing Commercial Structure of the Upstream and Midstream Business. In A.-S. Corbeau & D. Ledesma, eds., *LNG Markets in Transition: The great reconfiguration*, 2012th edn, Oxford: Oxford University Press for the Oxford Institute for Energy Studies.

Li, Q. (2009). Democracy, autocracy, and expropriation of foreign direct investment. *Comparative Political Studies*, **42**(8), 1098–1127.

Linde, C. van der. (2000). *The State and the international oil market : competition and the changing ownership of crude oil assets*, New York, N.Y.: Springer Science+Business Media, LLC.

Little, D. (2004). Mission impossible: The CIA and the Cult of Covert Action in the Middle East. *Diplomatic History*, **28**(5), 663–701.

Lorimer, J. G. (1915). *Gazetteer of the Persian Gulf*, Vol. 1, Calcuta: Superintendent Government Print., India.

Lorimer, J. G. (1970). *Gazetteer of the Persian Gulf, Oman and Central Arabia*, Farnsborough.

Luong, P. J., & Weinthal, E. (2001). Prelude to the resource curse: Explaining oil and gas development strategies in the Soviet successor states and beyond. *Comparative Political Studies*, **34**(4), 367–399.

Luong, P. J., & Weinthal, E. (2010). *Oil is not a curse: Ownership structure and institutions in soviet successor states*. *Oil is Not a Curse: Ownership Structure and Institutions in Soviet Successor States*. doi:10.1017/CBO9780511779435

Lynn Karl, T. (2007). *Oil-Led Development: Social, Political, and Economic Consequences* (No. 80), CDDRL Working Papers, Stanford University. Retrieved from https://cddrl.fsi.stanford.edu/publications/oilled_development_social_political_and_economic_consequences

Mabro, R. (2007). *Oil Nationalism, the Oil Industry and Energy Security Concerns*, Madrid. Retrieved from http://www.realinstitutoelcano.org/wps/portal/rielcano_en/contenido/!ut/p/a1/04_Sj9CPykssy0xPLMnMz0vMAfGjzOKNQ1zcA73dDQ0MDBzNDBwtLEMd_S0tDFz9zPQLsh0VAfVd-Ro!/?WCM_GLOBAL_CONTEXT=/elcano/Elcano_in/Zonas_in/ARI114-2007

Mabro, R. (2008). On the security of oil supplies , oil weapons , oil nationalism and all that, (October 1973), 1–13.

Madelin, H. (1974). Oil and Politics, Saxon House, Lexington Books, London.

Mañé, A., & de la Cámara, C. (2005). Is Russia Drifting toward an Oil-rentier Economy? *Eastern European Economics*, **43**(5), 49–76.

Marcel, V. (2006). *Oil Titans: National Oil Companies in the Middle East*, Baltimore: Bookings Istitution Press.

Marsh, S. (2007). Anglo-American crude diplomacy: Multinational oil and the iranian oil crisis, 1951–53. *Contemporary British History*, **21**(1), 25–53.

Masoud, D. (1994). *مشكلات بناء الدولة الحديثة في الوطن العربي*, دار كنعان, دمشق: Retrieved from http://www.aruc.org/fullbib.aspx?id=229538

Meckling, J., Kong, B., & Madan, T. (2015). Oil and state capitalism: government-firm coopetition in China and India. *Review of International Political Economy*, **22**(6), 1159–1187.

Megginson, W. L., & Netter, J. M. (2001). From State to Market: A Survey of Empirical Studies on Privatization. *Journal of Economic Literature*, **39**(2), 321–389.

Mitchell, T. (2002). *Rule of experts: Egypt, techno-politics, modernity*, Univ of California Press.

Mommer, B. (2002). *Global oil and the nation state*, Oxford: Oxford University Press for the Oxford Institute for Energy Studies.

Monroe, E. (1981). *Britain's Moment in the Middle East, 1914-1971*, rev. ed. (London: Chatto and Windus; Baltimore: Johns Hopkins University Press, 1981): Chatto & Windus.

Mughrabī, M. (1966). *Permanent Sovereignty over Oil Resources: A study of Middle East oil concessions and legal change*, Middle East Research and Pub. Center.

Murad, M. \`Adnan. (1989). *Baritaniya wa-al-\`Arab : tarikh al-isti\`mar al-Baritani fi al-watan al-\`Arabi*, 1st edn, Damaskus.

Murphey, R. (2008). *Exploring Ottoman Sovereignty: Tradition, Image and Practice in the Ottoman Imperial Household, 1400-1800*, Bloomsbury Publishing.

Myers, K., & Lahn, G. (2006). *Good Governance of the National Oil Petroleum Sector*, London, England.

Naqib, K. H. (2012). *Society and state in the Gulf and Arab Peninsula a different perspective*, London: Routledge and the Centre for Arab Unity Studies.

Nickell, S. J. (1996). Competition and corporate performance. *Journal of Political Economy*, **104**(4), 724–746.

Niskanen, W. A. (1971). *Bureaucracy and representative government*, Chicago: Aldine, Atherton.

Nitzan, J., & Bichler, S. (2013). *Capital as power : a study of order and creorder*, Brantford, Ont.: W. Ross MacDonald School Resource Services Library.

Nolan, P. A., & Thurber, M. C. (2012). On the state's choice of oil company: risk managemnet and the frontier of the petroleum industry. In D. G. Victor, D. R. Hults, & M. C. Thurber, eds., *Oil and governance: state-owned enterprises and the world energy supply.*, Cambridge, UK: Cambridge University Press, pp. 121–169.

O'Brien, R. (2005). The transnational relations debate. *Globalizing International Political Economy*, 165–192.

Ōmae, K. (1995). *The evolving global economy: Making sense of the new world order*, Boston, Mass.: Harvard Business School Press.

Onley, J. (2005). Britain's informal empire in the Gulf. *Journal of Social Affairs*, **22**(87), 29–45.

Onley, J. (2009). Britain and the Gulf Shaikhdoms, 1820-1971: The politics of protection. *CIRS Occasional Papers*.

Onley, J., & Khalaf, S. (2006). Shaikhly Authority in the Pre-oil Gulf: An Historical–Anthropological Study. *History and Anthropology*, **17**(3), 189–208.

Ould Mohamedou, M.-M. (2018). The Rise and Fall of Pan-Arabism. In E. Fiddian-Qasmiyeh & P. Daley, eds., *Routledge Handbook of South–South Relations*, 1st edn, Routledge. doi:https://doi.org/10.4324/9781315624495

Painter, J. (1995). Politics, geography and political geography : a critical perspective, London; New York, NY: E. Arnold ; Halsted Press. Retrieved from http://catalog.hathitrust.org/api/volumes/oclc/32589228.html

Palazuelos, E. (2012). Modelos de oligopolio en la industria petrolera: Las «Siete hermanas». *Revista de Historia Industrial*, (48), 119–153.

Parra, F. (2010). *Oil Politics : a Modern History of Petroleum*, London: I.B. Tauris.

Partrick, N. (2013). Nationalism in the Gulf states. In *The Transformation of the Gulf*, Routledge, pp. 66–84.

Pearce, D. W. (1983). *Dictionary of modern economics*, London, England: Macmillan International Higher Education.

Peigo, N. de F., & Ruas, J. A. G. (2015). Rethinking" energy nationalism": a study of the relationship between nation states and companies in the oil industry. *Brazilian Journal of Political Economy*, **35**(3), 557–575.

Penrose, E. (1968). *The Large International Firm in Developing Countries: The Internaional Petroleum Industry*, London: George Allen and Unwin.

Peterson, J. E. (2009). Britain and the Gulf: at the periphery of Empire. In *The Persian Gulf in History*, Springer, pp. 277–293.

PIW. (2007). The annual ranking of The world's 50 largest oil and gas companies. *Petroleum Intelligence Weekly*.

Polanyi, K. (2001). The great transformation : the political and economic origins of our time, Boston, Mass.: Beacon Press. Retrieved from http://search.ebscohost.com/login.aspx?direct=true&scope=site&db=nlebk&db=nlabk&AN=715728

Polanyi, K., Stiglitz, J. E., & Block, F. (2012). *The great transformation : the political and economic origins of our time*, Boston, MA: Beacon Press.

Political Residency, P. G. (1986). *The Persian Gulf administration reports, 1873-1947*, Gerrards Cross: Archive Editions.

Pollitt, M. G. (2012). The role of policy in energy transitions: Lessons from the energy liberalisation era. *Energy Policy*, **50**, 128–137.

Powers, S. (2009). *The geopolitics of the news: The case of the Al Jazeera network (Doctoral diss.)*.

Rahman, H. (2005). *The Emergence of Qatar: The Turbulent Years, 1627-1916*, London: Routledge.

Records of Qatar, Primary Documents Vol. II. (1991), [Slough]: Archive Ed.

Rhodes, R. A. W. (1996). The New Governance: Governing without Government. *Political Studies*, **44**(4), 652–667.

Roberts, D. B. (2017). *Qatar: Securing the global ambitions of a city-state*, Hurst London.

Robinson, C. (1993). *Energy policy: errors, illusions and market realities*, Institute of Economic Affairs London.

Robinson, W. I. (2011). Global Capitalism Theory and the Emergence of Transnational Elites. *Critical Sociology*, **38**(3), 349–363.

Robson, P., & Wooton, I. (1993). The Transnational Enterprise and Regional Economic Integration. *JCMS: Journal of Common Market Studies*, **31**(1), 71–90.

Rosenau, J. N. (1992a). Citizenship in a changing global order. In *Governance without*

Government, Cambridge University Press, pp. 272–294.

Rosenau, J. N. (1992b). Governance, Order and Change in Global Politics. In J. N. Rosenau & E. O. Czempiel, eds., *Governance Without Government: Order and Change in World Politics*, Cambridge, UK: Cambridge University Press, pp. 1–28.

Rosenau, J. N., Czempiel, E.-O., & Smith, S. (Eds.). (1992). *Governance Without Government: Order and Change in World Politics*, Cambridge, UK: Cambridge University Press.

Ross, M. L. (2013). *The oil curse : how petroleum wealth shapes the development of nations*, Princeton, N.J.: Princeton University Press.

Rumaihi, M. (1980). The mode of production in the Arab Gulf before the discovery of oil. In Niblock Tim, ed., *Social and Economic Development in the Arab Gulf*, London: Croom Helm, pp. 49–60.

Said, E. W. (1979). *Orientalism*, Vintage.

Saldanha, J. (1904a). Précis of Bahrein Affairs, 1854–1904, Calcutta: Superintendent.

Saldanha, J. A. (1904b). Précis of Katar Affairs, 1873 – 1904. In *Persian Gulf gazetteer. Part 1. Historical and political materials.*, Calcutta: Superintendent of Government Printing, 1904; repr. Archive Editions, 1986, p. 46.

Sampson, A. (1980). *The seven sisters : the great oil companies and the world they shaped /Anthony Sampson.*, Toronto: Bantam Books.

Sapan, S. (2001). ‘Qatar fi Ihsa’ya “Uthmaniya fi Bidayat al-Qarn al-Rabi” 'Ashr al-Hijri’. *Al-Majalla al-’Arabiya li-l-’Ulum al-Insaniya*, **19**(73), 133–154.

Sapan, S. (2009). *Min wathaiq al-Ahsa fi al-arshif al-`Uthmani, 1288-1331 H / 1871-1913 M*, 1st edn, Riyadh, Saudi Arabia: Nādī al-Aḥsā’ al-Adabī.

Sarbu, B. (2014). Ownership and Control of Oil : Explaining Policy Choices across Producing Countries., Hoboken: Taylor and Francis. Retrieved from http://public.eblib.com/choice/publicfullrecord.aspx?p=1687405

Sassen, S. (2003). The State and Globalization. *Interventions*, **5**(2), 241–248.

Scholte, J. A. (2005). *Globalization: A critical introduction*, 2nd edn, Basingstoke, New York: Palgrave- MacMillan.

Scholte, J. A. (2008). Defining globalisation. *World Economy*, **31**(11), 1471–1502.

Seymour, I. (1980). *OPEC: Instrument of Change*, New York, N.Y.: Palgrave-MacMillan-St. Martin’s Press.

Shalaq, A. Z., Khatib, M., & Abdulla, Y. I. (2014). *Taṭawwur Qaṭar al-siyāsī : min nash’at al-imārah ḥattá istiqlāl al-dawlah*, 5th edn, Doha, Qatar: al-Muallif.

Shawcross, W. (1988). *The Shah's Last Ride*, New York, N.Y.: Shimon and Shuster.

Shotar, M. M. (2005). The Attractiveness of Qatar to Foreign Direct Investment, 1980-2002. *Applied Econometrics and International Development*, **5**(3).

Sinan, M. B. (1966). *Tarikh Qatar al-'AM*, Baghdad: Matba'at Al-Ma'arif. Retrieved from http://www.aruc.org/fullbib.aspx?id=563347

Sinclair, T. . (1999). Bond-rating Agencies and Coordination in the Global Political Economy. In A. C. Cutler, V. Haufler, & T. T. Porter, eds., *Private Authority and International Affairs*, New York: New York State University Press, pp. 153–167.

Smith, E. E. (1991). From concessions to service contracts. *Tulsa Law Review*, **27**(4), 493.

Smith, S. C. (2004). *Britain's Revival and Fall in the Gulf: Kuwait, Bahrain, Qatar, and the Trucial States, 1950–1971*, London, England: RoutledgeCurzon.

Steinfeld, E. S. (2010). *Playing our game: Why China's rise doesn't threaten the West*, Oxford University Press.

Stevens, P. (2005). Oil markets. *Oxford Review of Economic Policy*, **21**(1), 19–42.

Stevens, P. (2008a). National oil companies and international oil companies in the Middle East: Under the shadow of government and the resource nationalism cycle. *The Journal of World Energy Law & Business*, **1**(1), 5–30.

Stevens, P. (2008b). National oil companies and international oil companies in the Middle East: Under the shadow of government and the resource nationalism cycle. *The Journal of World Energy Law & Business*, **1**(1), 5–30.

Stevens, P. (2013). History of the International Oil Industry. In R. Dannreuther & W. Ostrowski, eds., *Global Resources: Conflict and Cooperation*, London: Palgrave Macmillan UK, pp. 13–32.

Stiglitz, J. E. (2003). Joseph E. Stiglitz (2002) Globalization and Its Discontents. *Economic Notes*, **32**(1), 123–142.

Stocking, G. W. (1971). *Middle East Oil. A Study in Political and Economic Controversy*, London, England: Allen Lane, Penguin press.

Strange, S. (1988). *States and markets*, 2nd edn, London, England: Continuum.

Strange, S. (1996). *The retreat of the state: The diffusion of power in the world economy*, Cambridge university press.

Strange, S. (1998). *Mad money*, Manchester: Manchester University Press.

Strange, S., & Henley, J. S. (1991). *Rival states, rival firms: Competition for world market shares*, Vol. 18, Boston, MA: Cambridge University Press.

Tarbell, I. (1904). The History of the Standard Oil Company. *New York*.

Taylor, I. (2001). *Stuck in middle GEAR: South Africa's post-apartheid foreign relations*, Greenwood Publishing Group.

The World Bank Group. (2008). Overview of the Most Salient Advances in the Research on National Oil Companies. Retrieved from http://siteresources.worldbank.org/INTOGMC/Resources/noc

Thomson, J. E. (1995). State Sovereignty in International Relations: Bridging the Gap between Theory and Empirical Research. *International Studies Quarterly*, **39**(2), 213–233.

Tok, M. E., Khater, L. Al, & Pal, L. A. (2016). Policy-Making in a Transformative State : the Case of Qatar., New York; Secaucus: Palgrave Macmillan Springer [distributor]. Retrieved from http://link.springer.com/openurl?genre=book&isbn=978-1-137-46638-9

Tordo, S., Tracy, B., & Arfaa, noora. (2011). National Oil Companies and Value Creation. *World Bank*. doi:10.1596/978-0-8213-8831-0

Turner, L. (1978). *Oil Companies in the International System*, London, England: George Allen Unwin.

Underhill, G. R. D. (2000a). Introduction to Global Issues in Historical Perspective. In Underhill G.R.D. & R. Stubbs, eds., *Political Economy and the Changing Global Order*, Toronto: Oxford University Press.

Underhill, G. R. D. (2000b). State, market, and global political economy: genealogy of an (inter-?) discipline. *International Affairs*, **76**(4), 805–824.

Valenti, P. C. (2011). Creating a New Historiography of the Persian Gulf: The Case of Qatar. *New Middle Eastern Studies*, **1**, 1–23.

Van de Graaf, T., Sovacool, B. K., Ghosh, A., Kern, F., & Klare, M. T. (2016). States, markets, and institutions: integrating international political economy and global energy politics. In *The Palgrave handbook of the international political economy of energy*, Springer, pp. 3–44.

Vickers, J., & Yarrow, G. (1988). *Privatization : an economic analysis.*, London: MIT Press.

Victor, D. G., Hults, D. R., & Thurber, M. (Eds.). (2012). *Oil and governance : state-owned enterprises and the world energy supply*, Cambridge, UK; New York: Cambridge University Press.

Victor, N. M. (2007). On measuring the performance of national oil companies (NOCs).

Program on Energy and Sustainable Development Working Papers, WP64, Stanford University.

Waelde, T. (1995). *'The Current Status of International Petroleum Investment: Regulating, Licensing, Taxing and Contracting'*, CEPMLP Internet Journal 1 (5). Centre for Petroleum and Mineral Law and Policy, University of Dundee. http://www.dundee.ac.uk/cepmlp/journal/html/Vol1/article1-5.html.

Wald-Dadda, M. (2002). *Jazirat al-'Arab : Masir Ardh wa Umma*, 3rd edn, Riyadh, Saudi Arabia: Maktabat Malik Fahd al-Wataniya.

Wallerstein, I. (1974). The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis. *Compstudsocihist Comparative Studies in Society and History*, **16**(4), 387–415.

Warshaw, C. (2012). The political economy of expropriation and privatization in the oil sector. In D. G. Victor, D. R. Hults, & M. C. Thurber, eds., *Oil and Governance. State-Owned Enterprises and the World Energy Supply*, Cambridge University Press, Cambridge/New York, pp. 35–61.

Webb, M. C. (1999). Private and public management of international mineral markets. In C. Cutler, V. Haufler, & T. Porter, eds., *Private Authority and International Affairs*, Albany: State University of New York Press.

Weber, M. (1922). Economía y sociedad (1983 ed.). *México: Fondo de Cultura*.

WEC, W. E. C. (1998). *The Benefits and Beficiencies of Energy sector liberalisation. Vol. 3. Case studies 1998. Section 1 : Europe.*, London: WEC.

Werenfels, I. (2002). Obstacles to privatisation of state-owned industries in Algeria: the political economy of a distributive conflict. *The Journal of North African Studies*, **7**(1), 1–28.

Weston, J. F. (2002). The Exxon-Mobil Merger: An Archetype. *Journal of Applied Finance*, **12**(1), 69–88.

Williamson, J. (Ed.). (1990). Latin American Adjustment: How much has happened?, Washington, D.C.: Institute for International Economics.

Williamson, J. (1999). Lo que Washington quiere decir cuando se refiere a reformas de las políticas económicas. In M. Guitián & J. M. Albuixech, eds., *La cultura de la estabilidad y el consenso de Washington*, Barcelona: La Caixa.

Williamson, O. E. (1979). Transaction-Cost Economics: The Governance of Contractual Relations. *The Journal of Law & Economics*, **22**(2), 233–261.

Winckler, O. (2009). Labor and Liberalization: The Decline of the GCC Rentier

System. In J. Teitelbaum, ed., *Political Liberalization in the Persian Gulf*, London, England: HURST Publishers Ltd, pp. 59–85.

Wolf, C. (2009). Does ownership matter? The performance and efficiency of State Oil vs. Private Oil (1987-2006). *Energy Policy*, **37**(7), 2642–2652.

Yapp, M. E. (1980). British Policy in the Persian Gulf. In A. J. Cottrell, ed., *The Persian Gulf states: A General Survey*, Baltimore: Johns Hopkins Univ Pr, pp. 70–100.

Yergin, D. (2011). *The Prize. The Epic Quest for Oil, Money & Power*.

Yergin, D. (1991). *The Prize: The Epic Quest for Oil Money, and Power*, 1st edn, London, England: Simon & Schuster UK Ltd.

Yergin, D. (2011). *The Quest: Energy, Security, and the Remarking of the Modern World*, 1st edn, London; New York: Allen Lane. Penguin Group.

Zahlan, R. S. (1979). *The creation of Qatar*, London; New York: Croom Helm ; Barnes & Noble Books.

Zakaria, J. Q. (1966). *تاريخ الخليج العربي الحديث و المعاصر. ج. 2، تطور النفوذ البريطاني في إمارات الخليج العربية و المنافسات الإقليمية و الدولية 1507-1840.*, دار الفكر العربي

Zakaria, J. Q. (1974). *Dirasat Li-Tharikh al-Imarat al-Arabia 1840-1914*, Kuwait: Dar Al-Buhuth al-Ilmiya.

Zakariah, M. H. Bin. (2011). The Oil Embargo Following the Arab-Israel War of October 1973: British Economic Experience and Reaction. *Journal of Middle Eastern and Islamic Studies (in Asia)*, **5**(2), 92–120.

Zeckhauser, R. J., Horn, M., Murphy, K. J., & Peltzman, S. (1989). The control and performance of state-owned enterprises. In *Privatization and state-owned enterprises*, Springer, pp. 7–75.