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INVESTMENTS AS FOREIGN POLICY INSTRUMENTS: THE CASES OF SAUDI ARABIA, THE UAE AND QATAR

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INTRODUCTION

The Gulf countries differ from other Middle Eastern countries with their high economic incomes and relatively low population. Despite their high economic incomes, there is no rich diversity ahead of the Gulf countries in terms of economic resource diversity. For this reason, the issue of diversifying the economic resources of the Gulf countries is of critical importance. The development of tourism, the establishment of various cities in the countries as financial centers, and free trade zones summarize the strategies of diversifying the economic resources of the Gulf countries. In addition to Riyadh, cities such as Doha, Abu Dhabi, and Dubai are said to have emerged as financial, commercial, and tourism centers in the last decades. Not only are these cities an object of economic development, but also the rulers and residents of these cities have a role in diversifying economic resources. In this context, Saudi Arabia, the United Arab Emirates (UAE), and Qatar are leading economies in the Gulf region in terms of regional and international competitiveness. Not only are Riyadh, Abu Dhabi, Dubai, and Doha in a race over the distribution of economic resources among themselves. It must be said that the royal families who rule these cities and emirates and individuals who have close relations with the royal families also struggle to get a share from this race.

INVESTMENTS AS FOREIGN POLICY INSTRUMENTS

Increasingly, the Gulf countries are coming to the fore in world politics with their international investments. These countries have international investments in sports, culture, airlines, ports, media, networks, education, real estate, and energy. Saudi Arabia, UAE, and Qatar, the countries with the largest investment and development funds in the Middle East, use these funds as generously as possible in the field of international investment. Undoubtedly, there are other sub-categories where international investments are made. However, there is also a political dimension to the international investments of the Gulf countries in the areas mentioned above. Providing details of technical investment that does not include a political dimension is likely to not give an idea about the foreign policy objectives of the countries.

While for many years the Gulf states spent their revenues from natural resources on their internal development, they also transformed the revenues into international investments. While it has been observed that these initiatives have increased in recent years, the basic motivation of these investments has become an increasingly discussed topic. Although their main objectives are expressed as "economic diversification," it can be seen that the motivation behind the investments made by the Gulf states at a global level, especially Western countries, is mostly "foreign policy" centered. It can be argued that the Gulf states' instrumentalization of international investments as a foreign policy tool has three main dimensions.

The first dimension can be formulated as "buying foreign policy," which means by investing in a given state, the Gulf Cooperation Council (GCC) actors aim to shape the foreign policy of this country. The first of these is to shape the policies of the Gulf countries towards global actors such as the US, Britain, Germany, France, Russia, and China or to have a guiding effect on this. To be more precise, the Gulf countries aim to buy the foreign policy of those countries with the investments they make in these countries. In that sense, the UAE President Sheikh Khalifa bin Zayed al Nahyan presides over a real estate empire in London, and Saudi Crown Prince Mohammed bin Salman purchases cutting-edge technology equipment and top-of-the-line luxury real estate in Western countries.

The second dimension is "Inter-GCC rivalry." By making international investments, the Gulf states aim to gain an advantage in competition with each other. In other words, Gulf states are entering an investment race by using their financial resources to stand out in their competition with others. In this way and with this policy, Gulf states aim to portray themselves as being in a more effective position than other states, to gain prestige or to make themselves stronger in that area by preventing other states' investments in these areas. The

Gulf royal family members, like Mohammad bin Salman, are also interested in French châteaux.

race among the national airlines of Abu Dhabi, Dubai, and Doha is a race over who gets the most influence among the GCC states.

The third dimension can be formulated as, "regional competition over influence." Another aspect of the Gulf countries' instrumentalization of global investments in the context of foreign policy is to hinder the countries they are competing with at the regional level. In the simplest form, this situation occurs when a Gulf country signs an agreement in the field of ports management through the use of unofficial connections with the government of that country to hinder a regional rival who has an investment plan in the field of port management in any country, pushing the rival countries out of the process. The Horn of Africa region is a clear example of regional rivalry being played by the GCC states. Examples of this situation that can be found under the headings of the study such as energy, port management, airlines, think tanks, and real estate, and these will be discussed comprehensively.

In the sports section, partial and holistic investments in football teams and companies in sports activities are discussed mostly. While investments in England and France stand out in the field of football, it should be seen that the football investments of Abu Dhabi and Doha executives outperform Riyadh. In addition to football, racing sports, cycling, and other sports branches have been handled in proportion to the size of the investments. In addition to permanent investments in different countries, there are some efforts to organize sports events within the scope of the efforts to renew the image of the Gulf. Investments in the field of sports offer the political elites in the Gulf countries the opportunity to establish a tight bond between the political and business circles in the country where investments are made.

Investments made in the field of culture include the modernization moves of the Gulf countries and efforts to create a national identity. As a strategy to support, strengthen, and embellish the cities and emirates that have been seen as financial centers, the cultural investments include museums, various historical artifacts, and various projects. Cultural investments are also compatible with the idea of revealing the past to shape the present idea of the Gulf countries.

One of the areas where economic incomes are transformed into material advantages is the air transport race. The Gulf airline companies, which have cutting-edge technology equipment and fleets for a short time, became the leading companies in the field. The race of the countries, which have become the leading companies of international air transport, also triggered international investments. In this sense, with the motivation to have large fleets and wide destination networks, airline companies have signed various agreements. Just like investments in sports, Riyadh can be said to lag behind Abu Dhabi, Dubai, and Doha in this sense. The fact that Abu Dhabi and Dubai have different airline companies shows that the competition in air transport takes place not only internationally and in the Gulf but also within the country. In addition to the international investments of the three major airline companies of the Gulf, the airlines of other Gulf countries have a relatively low capacity of destination and investment.

Ports constitute another important investment area. The rental, acquisition, and restoration of ports in and outside of the Middle East are some of the important investment areas for the Gulf countries. Ports are not merely economic investments. The facilitation of maritime trade and the implementation of geopolitical strategies can be achieved with a strong position on ports. For this reason, ports are of particular importance among international investments in terms of their political implications. Ports can enable more than one strategy to be implemented at the same time. While maintaining the position of the ports in the country in maritime trade, the capacity of the ports owned abroad can also be reduced. Therefore, ports should be regarded not only as an area of international investment but also as a geopolitical element.

Investments that have political implications as much as the investments made in ports are also realized in the field of media. Establishing and supporting television channels and transferring funds to various projects are the most basic media investments. Media investments are critical in terms of framing how investments in all other fields are explained to the world. There were media-related clauses in lifting the embargo on Qatar that caused the Gulf crisis in 2017. Blockading state stipulated that Qatar should abolish the Al-Jazeera media network.

Like investments in media networks, the field of education is also about creating perception. Establishing exchange programs and providing funds to various programs and projects form the basis of education investments. Similar to the investments in sports, it can be said that England stands out in the field of education. However, the most important institutions where more investments are made is located in the US. Many different educational institutions in many different states in the US have received projects, funding, and support from the Gulf countries. However, these funds and the close relationships brought by these funds are often the subjects of research by the countries where the investments are made. Prominent newspapers in the US and the UK covered this issue many times and suggested that the public refuse the support from these countries. Thus, the field of education signified one of the points of tension between the Gulf and Western countries.

Real Estate is an area where individual, commercial and permanent investments are made. Investments in a property located on expensive streets and avenues particularly noticeable in European capitals. Often, investments in housing in European capitals are kept confidential and not shared as an official record. Property investments are revealed through investigative journalism, just like activities in the field of education. The real estate area is at the forefront of the areas where the individual investments of royal family members and business people in the Gulf countries are most common. If we look at the prominent investment cities here, London, Manchester, Washington, New York, Los Angeles can be given as examples.

Finally, the investments of the Gulf countries in the field of energy should also be seen of considerable importance and their details should be associated with political issues. In addition to petroleum and petrochemical products, natural gas and liquefied natural gas investments constitute only a part of energy investments. Energy investments have to include port investments and other types of investments in most countries. Dam construction, irrigation projects, power station construction, and restoration projects constitute the main energy investments. In addition to all these, investments also include cooperation. The reason for this is the scarcity of arable land in the Gulf countries in terms of agriculture. It is understood from the majority of certain projects that are essential for rural areas outside the capitals of the Gulf countries.

St. James' Park, Newcastle upon Tyne

Manchester City has been managed by Abu Dhabi United Group since 2008, PSG has been administered by Qatar Sports Investments since 2011.

SPORTS

Having been exposed to a lack of qualified population, politically prominent Gulf states crave more and more international recognition and global visibility in the 21st century. For two decades, that nascent urge to become more visible regional players is said to grow stronger. That led the Gulf states to use their financial resources and instruments abroad more effectively. Since their engagement with the Western countries, particularly with the US and Britain, have been established robustly already, the preference of and tendency to decide where the money will be spent has been somewhat easy for the Gulf states. To acquire more visibility in the eyes of global media and therefore tying up business possibilities with the Western countries, the Gulf embarked on investing in sports events, and then more permanent investment opportunities followed with the wider investments portfolio.

Gulf states Saudi Arabia, UAE and Qatar wish to attract sports activities to their countries, first of all, to show that their countries are not "remote places and strange locations". Due to their financial opportunities integrated with the global economy, besides attracting sports activities to their countries, announcing their names abroad also constitutes the very basis of investment strategies. Therefore, as a primary strategy, Gulf states have been interested in buying stakes in European football clubs, they have particularly invested in English Premier League (EPL) and France League 1 clubs to a large extent. The UAE and Qatar have been familiar with and are known for their grand investments in forerunners Manchester City and Paris Saint Germain (PSG) in both European leagues. While Manchester City has been managed by Abu Dhabi United Group since 2008, PSG has been administered by Qatar Sports Investments since 2011.

One of the major institutions in the Gulf in terms of sports investments is Abu Dhabi United Group for Development and Investment.[1] Besides Manchester City, another investment of Abu Dhabi United Group has been to acquire an 80% stake in Major League Soccer's (MLS) New York City.[2] Along with Manchester City and New York City, Abu Dhabi United Group also purchased a 100% stake in Melbourne City FC of Australia, and Emirati entrepreneur Khaldoon Al Mubarak became the head of the club.[3] Khaldoon Al Mubarak also "administers club in the UK, US, Australia, Uruguay, India, Spain, and Belgium".[4] In addition to flamboyant stock purchases, there are many other sports investments with low media coverage. Sports investments have been carried out not only in Europe but also in the US, Asia, and Australia. Ensuring cash flow, introducing the Gulf countries and financial might of the ruling families, and establishing financial networks are the most important objectives of these investments. In addition to all these, Yokohama F. Marinos from Japan, Montevideo City Torque from Uruguay, Girona from Spain, Sichuan Jiuni from China, Mumbai City from India, and Lommel SK from Belgium, have all signed an agreement with Abu Dhabi United Group and City Football Group owned by the former, in terms of a minority or majority shares.[5] For this reason, it can be said that almost every continent has football teams owned by the Gulf countries. The share values, transfer budgets and other revenues of the purchased teams have also incrased with the sheikhs from the Gulf coming to rule the clubs. As a kind of strategy, the policy of transferring successful players has been followed. For example, Brazilian superstar Neymar transferred from Barcelona to PSG for 222 million euros, going down in history as the biggest transfer payment ever made.[6]

Besides Abu Dhabi, Dubai leadership also considers sports investments, both inside and outside of Dubai, as a sector in the emirates' economy. Besides football investments, sports investments in Dubai are diverse. In fact, looking at the situation of sports activities in the sector will summarize this. In 2015, Dubai's gross expenditure in the sports economy is characterized by $270 million worth of golf tourism.[7]

Saudi Arabia has been relatively late to this race in this respect, pacing around EPL clubs Sheffield United, Manchester United, and Newcastle United. Until February 2020, the Saudi leadership has succeeded in buying only the whole stakes of Sheffield United. Negotiations for the acqusition of Newcastle United have continued for a long time. Along with the Newcastle United issue, the long-awaited purchase of Manchester United by Saudi Crown Prince Mohammed bin Salman, in turn, is stalled now.

Along with investments in football, Gulf states are home to global initiatives and make

1 Simeon Kerr, "Abu Dhabi investors buy Manchester City", *Financial Times*, 2 September 2008
2 Mark White, "Which football clubs do Manchester City's City Football Group own?", *Four Four Two*, 12 May 2020.
3 "Has Abu Dhabi United Group $1 Billion Sports Investment Paid Off?" *Arab America*, 28 March 2020.
4 Emre Asikci, "Footbal giants want to dominate, control, act free", *Anadolu Agency*, 25 July 2020.
5 White, "Which football clubs do Manchester City's City Football Group own".
6 Julien Laurens, "Neymar: How the record-breaking €222m move to PSG unfolded", *The Guardian*, 4 August 2017.
7 "Dubai sports industry worth more than $1.7 billion a year", *The First Group,* 1 November 2015.

an effort to portray themselves as being capable of handling worldwide projects. Therefore, FIFA 2022 World Cup, influential boxing games, important racing platforms are inviting people to the Gulf, rendering the Gulf states capable and renunciant in this respect.

It is no wonder that the Saudi princes are living in luxury. No wonder are Saudi princes living in luxury. However, many Saudi princes have been criticized for the seemingly reckless uses of their financial resources. The remarkable amounts of money that they spend over and over play an important role in understanding the financial balances in the royal family as well as in revealing how the Saudi princes live in luxury. Trends concerning the use of financial resources within the royal family can show us that the Al Saud family has gradually moved away from the ability to empathize with the living conditions that people have to experience and that the nuclear family has started to become isolated in the royal family due to both economic and political problems. Indeed, the strategic mistakes in recent foreign policy preferences and the developments in the country brought about international criticism aimed at Saudi Arabia. The reactive moves, which serve as a continuation of the loss of prestige, led to the disagreements between the royal family and religious authorities and the emergence of some discomfort in the family. All these reasons prompted further research into how the royal family uses financial resources.

In this sense, one of the issues that the Crown Prince of Saudi Arabia, Mohammed bin Salman, has brought to the agenda in recent times, is that he spends an astronomical amount of money. It is clear that both the royal family and the state have extreme financial resources at the disposal of the Crown Prince. Aiming to create an image that presents Saudi Arabia as the embodiment of "moderate Islam", a Western-friendly and reformist country, Mohammed bin Salman made efforts to become the owner of Newcastle United, one of the English Premier League teams. The interest of the Gulf countries in European football clubs is not something new. Considering that Qatar owns the French club, PSG through Nasser Al-Khelaifi and the UAE is the owner of the English club, Manchester City, through Mansour bin Zayed Al Nahyan, it can even be held that Saudi Arabia failed to swiftly join this race of increasing its visibility with football. With the emergence of a deficiency in this direction, plans for the investments in to the UK clubs gained momentum.

The Saudi Arabian Public Investment Fund (PIF), worth $320 billion[8], would reportedly fund the purchase of Newcastle United, and in case of a possible purchase, Saudi oil giant ARAMCO's Chairman Yasir bin Osman Al-Rumayyan would allegedly be the head of the club.[9] Although time will show whether Yasir bin Osman Al-Rumayyan will be a new Nasser Al-Khelaifi or Sheikh Mansour bin Zayed, Mohammed bin Salman's interest in Newcastle United constituted another example of a costly expenditure by the Crown Prince. Besides, if the purchase takes place, both Mohammed bin Salman's effectiveness with the PIF will increase and his influence in the shrinking decision-making mechanism will be much stronger. Hence, given that the Crown Prince could rely on his narrower and closer circle that emerged following the reassignments[10] made in the Saudi Arabian cabinet in August 2019, Yasir bin Osman Al-Rumayyan is likely to take over

[8] "Public Investment Fund of Saudi Arabia (PIF)", Sovereign Wealth Fund Institute.

[9] Jason Burt, "Newcastle United set for businessman Yasir al-Rumayyan as chairman if deal is reached with Saudi-backed consortium", *The Telegraph*, 27 January 2020.

[10] Ahmed Al Omran and Andrew England, "Saudi Arabia announces sweeping changes to cabinet" Financial Times, 27 December 2018.

this possible task. A recent development about the purchase of Newcastle United came in the middle of April. Al Jazeera stated that Mohammed bin Salman's investment group is closer to take percent ownership of Newcastle United. It has been stated that the owner of the club, a British billionaire Mike Ashley, reduced the price to $378 million from an initial $425 million due to the coronavirus crisis.[11] If the deal succeeds, Saudi Investment Fund would take 80 percent, British financier Amanda Staveley will take 10 percent, and billionaires David and Simon Reuben will take the other 10 percent, according to Al Jazeera.

One reason for the phenomenon of the visibility and gain of prestige thanks to the sports clubs that continue with Newcastle United is that Mohammed bin Salman intends to pay £3.5 billion[12] to the Glazers family which owns Manchester United. It is conceivable that the Manchester United adventure, which has been postponed and largely abandoned as a result of the Glazer family's indifference to such a purchase, has given its place to the purchase of Newcastle United, which stands out to be a relatively more realistic target. Indeed, the conduct of this purchase will not provide Saudi Arabia with its first football club in England. We may say that Saudi princes do not get along very well with the English clubs except for the fact that Prince Abdullah Bin Mosaad Bin Abdulaziz Al Saud obtained, through court ruling last year, the other 50% of Sheffield United, another English football club, that he had not had before.

The reaction of the English public to Saudi Arabia's activities in the international arena is a significant factor for Saudi princes not getting along with the English clubs. Both the insistence on Manchester United and the recent situation regarding Newcastle United revealed the appeal of the Saudi Arabian royal family in allocating financial resources to the princes and led some certain financial tendencies to be noticed. Given the situation of the royal family of Saudi Arabia, the financial resources of the princes, which came to the agenda with their interest in English football clubs such as Newcastle United and Manchester United, should be examined seriously. To this end, it is necessary to first focus on the total wealth of the royal family and the size of the financial resources belonging to the princes. Data do not seem to be sufficient on what the royal family's population is and which financial resources it controls. Although it is obvious that there are difficulties in revealing the said numbers, the worth of the royal family of Saudi Arabia is estimated to be running at around 1.4 trillion dollars and quite possibly above.[13] Considering that the members of the royal family, other than the core members, receive a share of wealth per their proximity to the family, the financial power that the King and Crown Prince have in their personal lives can be estimated.

While one reason for costly spending is to increase their influence, another is the desire to establish close links between Saudi Arabia's leadership and business circles in Western countries thanks to the amount of the transaction. In this sense, it has been revealed that Saudi Arabia would pay €120 million to the Spanish Football Federation for the holding Spanish Super Cup final games in Riyadh for three years. Also, €15 million[14] have been paid so that the Dakar Rally could be organized in

[11] "Saudi-backed takeover of Newcastle United edges closer" Al Jazeera, 15 April 2020.

[12] "Trillionare Saudi Arabian Prince Mohammad Bin Salman 'desperate' to buy Manchester United despite Newcastle links", *Fox Sports*, 3 February 2020.

[13] Ruth Umoh, "This royal family's wealth could be more than $1 trillion" *CNBC*, 18 August 2018.

[14] Murat Keleş, "Suudi Arabistan bozulan imajını spor organizasyonlarıyla düzeltmeye çalışıyor" *Anadolu Ajansı*, 16 December 2019.

The Dakar Rally

€15 million have been paid so that the Dakar Rally could be organized in Saudi Arabia as of 2020.

Saudi Arabia as of 2020. It was also announced that the amount paid for a boxing competition to be held in Diriye reached $100 million. The organization of sports activities in Riyadh and neighboring cities both contributes to the country's tourism and also provides Riyadh leadership with an opportunity to demonstrate their so-called efforts to change and transform Saudi Arabia.

As can be understood from the abovementioned developments that the investments made with remarkably large amounts of money play a role in changing the agenda in such a way as to cover the problems that Saudi Arabia faces both inside and outside. In addition to this very aspect of the large financial expenditure, another reason behind the high-cost investments is the creation of the image of Saudi Arabia, through financial power, as an indispensable partner for the Western countries. If one of the closest examples of these expenditures succeeds, Saudi Arabia will conduct the purchase of Newcastle United via PIF.

There have been unexpected developments as a result of the initiatives that have continued for almost 3 years. The consortium, in which PIF held a majority stake, gave up buying Newcastle United at the end of July. The PIF's official institutional identity as a government agency, its administration by the Crown Prince Mohammed bin Salman, and other entanglements have prevented the consortium to take over Newcastle United's ownership. Among the entanglements are Saudi Arabia's human rights record and the dismembering and murdering of Khashoggi, which represent the major ones. One of the developments that worried the consortium was the Premier League's claim that Saudi Arabia did not comply with the requirements of the decision taken by the World Trade Organization regarding beoutQ. Concerning the matter, WTO had ruled that the "Saudi state had breached intellectual property rights" by not tackling piracy. However, despite the strong reactions of all relevant persons and institutions, in September, it was alleged that negotiations were held between Saudi officials and other members of the consortium, Amanda Staveley and Reuben Brothers, to stimulate the takeover process in a way that the UK government would welcome. However, in a new series of developments, Newcastle United in the middle of September has taken legal action against Premier League over the blocked Saudi purchase. The club's president Mike Ashley has accused the chief executive of the Premier League, Richard Masters of not acting appropriately in the process leading up to the PIF's withdrawal from bidding.[15] In addition to purchasing stakes of football clubs in every corner of the world, the Gulf countries stand out in the field of sports by organizing grand sports events. One of these sports activities is the 2022 FIFA World Cup that is to be held in Qatar.

Cycling is another sports arena in which Gulf states are competing. In terms of cycling, the Bahraini royal family is known to endorse and sponsor professional cycling teams and cyclists. Reportedly, Prince Nasser bin Hamad Al Khalifa, who is a known young cyclist in the Gulf is said to have provided sponsorships to Vincenzo Nibali and his group of riders.[16] Another Gulf state that is competing for influence in cycling is the UAE. As late as 2017, it was announced that the UAE would preside over a cycling team through Emirates Airlines being its sponsor[17]. The UAE Team Emirates, as a sign of growing interest in various sports investments, won the Tour de France, one of the preeminent races in the world.[18] The winning team, whose funding is provided by the UAE for three years, added value to the UAE strategy to "expanding sports diplomacy and soft power."[19]

CULTURE

As part of creating a "national identity" other than merely emphasizing Arabness, Gulf states are spending a lot of money to build museums and monuments to demonstrate national heritage and also are making investments, particularly in Europe to maintain this posture. Qatari identity, Emirati identity, and Saudi identity are put forward as trajectories to be strengthened by the purchases of art pieces and the occupation with art.

Particularly as Michael B. Greenwald has reiterated, Gulf countries are competing for influence in arts.[20] The competition between the Gulf countries for influence in arts is transpired by moving valuable art pieces and culture created by arts to the heart of the Gulf. Greenwald points to a new set of artists who are willing to shoulder responsibility for the arts to be carried to the Gulf, Abdulnasser Gharem from Saudi Arabia, Abdullah al Saadi, and Hassan Sharif from the UAE and Wadha

[15] Ed Aarons, "Newcastle taking legal action against Premier League over blocked Saudi buyout", *The Guardian*, 14 September 2020.

[16] Stephen Farrand, "Nibali linked to new Bahrain-sponsored team for 2017", *Cycling News*, 21 February 2016.

[17] "With new backer, UAE Team Emirates unveiled in Abu Dhabi", VeloNews, https://www.velonews.com/news/road/new-backer-uae-team-emirates-unveiled-abu-dhabi/

[18] Joe Snell, "Team Emirates rider winds Tour de France as cycling gains legs in Middle East", Al Monitor, 23 September 2020.

[19] Snell, "Team Emirates rider winds Tour de France as cycling gains legs in Middle East".

[20] Michael B. Greenwald, "The New Race for Contemporary Arts Dominance in the Middle East", *Belfer Center for Science and International Affairs*, Harvard Kennedy School, October 2018.

National Museum of Qatar

The fact that Qatar has spent as much as $434 million and exerted a decade-long effort on it shows that art is a way of creating influence.

al Suleati, Sophia al Maria, and Wafika Sultan Al-Essa from Qatar.[21] It is suggested that with the efforts of these figures, the Gulf states are making the arts a top priority for investment. The nationalities of art figures are indicative of nations that are willing to spend on art both in Europe and in the Gulf, Saudi Arabia, the UAE, and Qatar.

As a demonstration of forging and consolidating national heritage and identity in the Gulf, Qatar launched the National Museum of Qatar in 2018. In 2017 also, the same architect, Jean Nouvel, helped create the Louvre in Abu Dhabi. Rowan Moore of the Guardian suggests that the opening of ostentatious museums in these Gulf sheikdoms "signs a hunger for identity".[22] For this effort of consolidating national identity, the National Museum of Qatar is said to cost around an estimated $434 million.[23] The fact that Qatar has spent as much as $434 million and exerted a decade-long effort on it shows that art is a way of creating influence. The museum serves both domestic and foreign policy ends in terms of consolidating identity internally and creating a sense of potency abroad.

Along with domestic investments such as the National Museum, Qatar has also spent a great amount of money to purchase art pieces and bring them to the heart of the country. David Batty of the Guardian has indicated that the Qatari royal family's purchases of art pieces could amount to nearly $1 billion, over

[21] Greenwald, "The New Race for Contemporary Arts Dominance in the Middle East".

[22] Rowan Moore, "How landmark building became weapons in a new Gulf war", *The Guardian*, 21 July 2018.

[23] "Nouvel's desert rose finally blooms as Qatar inaugurates national museum", *France24*, 28 March 2019.

Mansour bin Zayed Al Nahyan's 'Topaz' Yacht

the last seven years.[24] The nearly $1 billion amount refers to a strategy that seems to be neat and aimed at impressing both European capitals and policymakers.

In addition to the UAE and Qatar's decade-long efforts to come to the forefront in the art scene by using their financial potential both at home and abroad, Saudi Arabia also joined the art race. While in the UAE and Qatar, royal families and state transactions are ascertained, in the case of Saudi Arabia, certain figures in the royal circles pop up as they have complete access to the royal wealth. It is not an exaggeration to say that the last 5 years of spending in the royal family for arts have been carried out by the Crown Prince Mohammed bin Salman in no small measure. It is suggested that Mohammed bin Selman uses a private company and the PIF for transactions. Additionally, that private company also carried out transactions for the purchase of a $500 million yacht of a Russian businessman by Mohammed bin Salman in 2015.

Based on U.S. intelligence reports, the Wall Street Journal announced in 2017 that a Leonardo da Vinci painting worth $450.3 million was also purchased by the Crown Prince. However, afterward, speculations propounded about whether the bidder who paid $450.3 million represented Mohammed bin Salman. There were even such allegations that the bidder paid for the painting in favor of Abu Dhabi's leadership. Another allegation was that the UAE Ministry of Culture and Tourism purchased the painting to display it at the Louvre Abu Dhabi Museum.

These purchases were made following announcements that the Saudi treasury seized $100 billion from billionaires at the Ritz-Carlton Hotel in corruption operations, which were launched after the Crown Prince changed. It was later revealed that the painting "Salvator Mundi" went to Saudi Prince Bader bin Abdullah bin Mohammed bin Farhan al-Saud, a close ally of Mohammed bin Salman.[25]

[24] David Batty, "The rise of Gulf art scene", *The Guardian*, 16 April 2012.

[25] Hilary Weaver, "The World's Most Expensive Painting Sold at Auction is Missing, and the Louvre Abu Dhabi Isn't Panicking" 9 January, 2019.

Qatar's National airline carrier Qatar Airways

> Three giants in the aviation sector have been the Emirates, Etihad Airways, and Qatar Airways, being known as ME3 or the Big-3.

AIRLINES

With financially capable and wealthy states, the Gulf region is steadily becoming one of the centers of the global aviation sector. As one of the newest centers of aviation, the UAE and Qatar have come to the forefront in the last decades. Three giants in the aviation sector have been *the Emirates*, *Etihad Airways*, and *Qatar Airways*, being known as ME3 or the Big-3.[26] Respectively founded in 1985, in 2003, and in 1997, these companies have become prominent in the business not only due to the magnitude of their market share but also due to their fulfilling investments abroad.

Founded in 1997, Qatar Airways seems to have paved the way for Qatari entrance into the global economy more than ever. In a time when the Gulf countries were making certain moves to integrate themselves into the global economy more than ever, Qatar Airways began to serve both in domestic and international flights, reaching as many as 150 destinations.[27] While flying to over 150 destinations and having one the most advanced and largest fleet in the business, Qatar Airways also made a reputation by investing in other major companies in another place in the world.

As the geopolitical tensions among the Gulf countries heightened in 2014, Qatar Airways intended to ensure the opening of a safe passage toward more investment for more economic self-reliance for Qatar. Therefore particularly after 2015, the Qatar Airways investment abroad nearly doubled. Not only the 2014 geopolitical tensions and the Qatari leaderships' trust in the prestige of Qatar Airways required such investments but also the competition with Dubai and Abu Dhabi based airline companies required more investments to remain standing in the business.

In doing so, in 2016, Qatar Airways bought a 10% stake in LATAM in exchange for $613 million.[28] LATAM Airlines is based in Santiago, Chile and it is in partnership with Brazil. It is also considered the largest airline company in Latin America with various

[26] ME3: Middle East Three (Etihad, Emirates, Qatar Airways)

[27] Akbar Al Bakar, Qatar Airways CEO, *Qatar Airways Website.*

[28] Ben Lucky, "Qatar Airways Buying A %10 Stake In LATAM", *One Mile At a Time*, 12 July 2016.

branches in the continent across Argentina, Brazil, Colombia, Ecuador, Paraguay, and Peru. Before this major investment, Qatar Airways had bought another 9.99% stake in the International Airlines Group (IAG) for nearly $1.7 billion.[29] The purchase of stakes in IAG also intended to improve the business relations between the British and Qatari businessmen, because British Airways is also a company under the IAG. The Qatari purchase of a 9.99% stake in IAG did not remain in 9.99% and in May 2016, Qatar Airways increased the owned stake by Qatar to 15%, being valued in total at $2.29 billion. Finally in February 2020, with an additional $600 million, Qatar Airways has increased its shares in the IAG to 25.1%.[30] Besides this increase in the stakes, Qatar Airways CEO Akbar Abbas Al Baker said the company is also eyeing to increase its share in LATAM and to work closely with fellow shareholder Delta Air Lines. Delta, another shareholder in LATAM took a 20% stake for nearly $1.9 billion.[31]

Along with these investments in IAG and Latin American airline companies, Qatar also invested largely in other major/minor European companies and airports as well. In 2016, Qatar Airways bought a 49% stake in Italy's second-largest airline, Meridiana.[32] The reason why Qatar invested in Meridiana is the motivation that having access to the Italian market, probably through Doha-connected flights, would provide Qatar with a better chance to enter into another busy international market. Another motivation could be that diversifying assets and the need for diversifying the economy through airline business required Qatar Airways to enter into the Italian market as well.

In 2017, along with its investments in other parts of the world, Qatar opened a way of investment to the Pacific. With this move, Qatar Airways completed the purchase of a 9.6% stake in Cathay Pacific, for nearly $662 million, making Qatar Airways the first airline to invest in an East Asian carrier.[33] It is suggested that Qatar Airways tap into the Chinese air market with this move, particularly as a rescuer in a time of Cathay Pacific announced a record level of 82% drop in half-year profits in August 2016.[34]

Just like the 2014 diplomatic spat between the Gulf countries and Qatar, the 2017 embargo against Qatar launched by Saudi Arabia, the UAE, Bahrain, and Egypt, required Qatar to improve its self-help strategies in the economy. In this sense, along with making investments to another major airline, Qatar began to investments in certain international airports to overcome the negative implications of the 2017 embargo. In the closing days of 2019, Qatar Airways reach an agreement with Rwanda to take a 60% percent stake in the new Bugesera airport in Rwanda in exchange for $1.3 billion.[35] The deal included renovating and enlarging efforts for the Bugesera airport whose maximum capacity of 4.5 million would not be welcomed by Rwandan authorities. The Rwandan airport move could be explained as one of the Qatari efforts to overcome the negative implications of the Gulf crisis in 2017, forcing Qatar Airways to change most of its flight

[29] Ben Lucky, "Qatar Airways Buys %9.99 Stake in British Airways Parent Company", *One Mile At a Time,* 30 January 2015.

[30] Paul Sandle and Alexander Cornwell, "Qatar Airways spends $600 million to lift stake in BA owner to %25", *Reuters*, 19 February 2020.

[31] Alexander Cornwell, "Qatar Airways swoops for RwandAir stake and eyes bigger LATAM holding" *Reuters*, 5 February 2020

[32] Ben Lucky, "Qatar Airways Buys A %49 Stake in Money Losing Italian Airline With Ancient Planes" 14 July 2016.

[33] "Qatar Airways buys %9.6 stake in Cathay Pacific", *BBC News*, 6 November 2017

[34] "Cathay Pacific profits plunge amid fierce competition, *BBC News*, 17 August 2016

[35] "Qatar Airways to take %60 stake in Rwanda international airport" *Al Jazeera*, 10 December 2019

routes since it cannot obtain permission to fly over the Saudi, Emirati, and Bahraini air spaces.

Along with investments in renovation and enlargement initiatives in the international airport in Rwanda, Qatar Airways reached a deal to purchase a 49% stake in RwandAir, in exchange for an untold amount.[36] Also in 2019, Qatar Airways continued its moves in the Chinese market, striking a deal with China Southern Airlines. By this move, Qatar Airways bought a 5% stake in the airline which has a promising future in the Chinese market.[37]

Abu Dhabi-based Etihad Airways had triggered a new wave of competition in investments abroad when it purchased a 24% stake in Jet Airways of India in exchange for $379 million, being one of the first investments to an Indian airline company after certain restrictions are lifted. [38] In addition to $379 million, Etihad committed another $220 million to enlarge the partnership between Etihad and Jet Airways. Also, an additional $150 million was spent on another program of Jet Airways, which is Jet Privilege, totaling Etihad's investments to Jet Airways $749 million. However, over the years the shares of Jet Airways have gone down and with this plummeting trajectory Etihad proposed to invest in 49% of the shares and the proposed deal is not actualized yet.[39] Another investment of Etihad was the purchase of a 49% stake in Alitalia promising that it would spend on the Italian company almost €700 million.[40] With this investment move on the Italian company, Etihad signaled that the European market is also important along with the Asian market. Along with investments in airline companies, Etihad is the sponsor of the football stadium of English Premier League club Manchester City. However, it is suggested in 2010 that the club is not funded by Etihad but it is funded directly by the Abu Dhabi government.[41]

Dubai-based airline carrier Emirates

[36] Remy Darras, "Qatar Airways confirms purchase of %49 stake in RwandAir", The Africa Report, 10 February 2020.

[37] Dominic Dudley, "Qatar Airways Buys Into Fast-Growing Chinese Market, With One Eye On The Future", *Forbes*, 3 January 2019.

[38] "Etihad buys %24 stake at India's Jet Airways for $379m", *The National*, 25 April 2013.

[39] "Etihad proposes to invest in Jet Airways at %49 discount" Arab News, 16 January 2019.

[40] Ben Lucky, "Alitalia to Install New Business Class Seats and Wifi" *One Mile At A Time*, 1 May 2015.

[41] David Conn, "Manchester City sponsorship covered by Abu Dhabi government, not Etihad" The Guardian, 17 February 2020.

As early as 2006, Emirates signed a deal with another EPL club, Arsenal, to name its stadium and jerseys for 15 years in exchange for GBP100 million.

Emirates Stadium, Home of Arsenal, London.

The investment strategies of Qatar and Etihad Airways are centered on the Asian market and the European market with investments in airline companies. However, the other playmaker in the Gulf aviation sector, the Emirates, has pursued a somewhat different investment strategy than those of Qatar and Etihad Airways. Rather than heavily investing in airline companies, Emirates intended to make another investment. Just like Etihad Airways, Emirates also largely engaged with the football industry, particularly with EPL. As early as 2006, Emirates signed a deal with another EPL club, Arsenal, to name its stadium and jerseys for 15 years in exchange for GBP100 million.[42] In 2018, even the extension of the deal to 2023-2024 seasons cost Abu Dhabi nearly GBP200 million ($280 million).[43] This deal became the biggest sponsorship deal signed by Arsenal.

Along with "ME3" or the "Big-3", Saudi Arabian airlines Saudia are making moves to get a fair share of the Middle East aviation market. Mohammed bin Salman has expressed Saudi Arabia's will to obtain a great market share in the business while also praising the UAE and Qatari airline companies' efforts transforming the Middle East.[44] However, challenging ME3 would be extremely unlikely for Saudia, particularly after the COVID-19 outbreak that hits the business in the Middle East hard. A Dubai-based company plans to make an offer to Israir Airlines. NY Koen Group confirmed that a subsidiary company will try to close the deal. The subsidiary company, Aero Private Jet hopes to expand its services by purchasing Israir, and the company has a lot of experience. It is indicated that this announcement is important because it is the first intention to acquire a company in Israel after the normalization agreement. NY Koen Group, which is interested in jewelry, diamonds, private aviation, digital technologies, construction, and security is established in 2003 in Dubai by Ukrainian businessman Naum Koen.[45]

[42] Emirates Web Site, www.emirates.com

[43] Bill Wilson, "Arsenal and Emirates in £200m shirt sponsorship extension", 19 February 2018

[44] Zahraa Alkhalisi, "Can Saudi Arabia turn its airlines into a real rival to Emirates and Qatar?", 12 March 2019.

[45] "Dubai-based company plans to buy Israeli airline", *Middle East Monitor*, 15 October 2020.

Dubai's Jebel Ali Port

> Saudi Arabia, the UAE, and Qatar are all eyeing Ethiopia, Somalia, Djibouti, and Eritrea to build ports and to strike deals allowing them to rent already established ports for further restoring.

PORTS

Another geopolitical and financial rivalry between Saudi Arabia, the UAE, and Qatar, is the struggle for influence over ports and port cities. Most of the Gulf activities regarding ports are concentrated on the Horn of Africa. It is suggested that ports around the Middle East and particularly in the Horn of Africa have been securitized and instrumentalized by Saudi Arabia, the UAE, and Qatar in their foreign policies. The main reason for the Horn to be implicated in their foreign policies is that an influence over it allows the countries to enjoy a position that is close to the Gulf of Aden and Bab el Mandap, which have been the significant waterways for maritime trade in the Middle East. Horn of Africa countries Ethiopia, Djibouti, Eritrea, and Somalia come to the fore because of securitization and instrumentalization of their ports and port cities. The fact that the Horn of Africa countries require foreign investments and cash somewhat facilitated their path toward striking deals with the wealthy Gulf states. Although Ethiopia remained a land-locked country, its geopolitical trajectory is hopeful owing to its recent rapprochement with Eritrea, partially brokered by Saudi Arabia and the UAE to gain another foothold in the area. Other than the Horn of Africa countries, semi-autonomous breakaway regions in Somalia such as Somaliland, Jubaland, and Puntland have also become important due to their recent renting strategies of their lands and ports, to the Gulf states, primarily Saudi Arabia and the UAE. The securitization of ports also politicized the otherwise depoliticized cooperation areas such as fishing, shipping trade, and other areas. As the Horn geopol-

DP World, London Gateway Port

itics somehow made it necessary, Saudi Arabia, the UAE, and Qatar are all eyeing Ethiopia, Somalia, Djibouti, and Eritrea to build ports and to strike deals allowing them to rent already established ports for further restoration. An important note is that Saudi Arabia, the UAE, and Qatar have carried out their activities in the region through their naval companies.

One such company is the Saudi Arabia Ports Authority that has been the responsible body for these tasks with a budget of nearly $450 million. Another most well-known company operating for the UAE is Dubai Ports World (DP World) with total assets seeing as high as $26 billion as of 2018. For instance, DP World has acquired the rights of Berbera Port of Somaliland for 25 years in exchange for $440 million.[46] Also, the UAE is building a military base near Berbera Port for its geopolitical ambitions in the Gulf of Aden and the Bab-el Mandeb Strait to be met more appropriately. Although there could be interruptions in the construction of military bases and in restoring the ports in Berbera and Bosaso, the overall UAE interest in the Horn and particularly in Somalia's breakaway regions Somaliland and Puntland, is in no way in decline.

Along with this, DP World has struck a deal with Puntland, another breakaway of Somalia, to restore and run the Bosaso Port which is located at the east of Berbera Port. The deal included 30 years of rights of renting in exchange for over $330 million to be paid by the UAE.[47] The UAE also made a deal with Eritrea on renting the Assab port in 2015, which allows the UAE to have a force training ground for its protracted military involvement in Yemen.[48] Although the UAE has other plans and projects in Djibouti and Somalia, the estrangement of their relations with the UAE virtually precluded the ports' projects. DP World had run the Doraleh Port in Djibouti, another strategic foothold near Yemen, but the UAE's decision to operate the port under its capacity, made Djibouti sack

[46] Maggie Fick, "Harboring ambitions: Gulf states scramble for Somalia", *Reuters*, 1 May 2018.

[47] Abdi Latif Dahir, "The UAE is expanding its influence in the Horn of Africa by funding ports and military bases" *Quartz Africa*, 11 April 2017

[48] "UN Report: UAE, Saudi Using Eritrean Land, Sea, Airspace and Possibly Eritrean Troops in Yemen Battle", *UN Tribune*, 11 February 2015.

the deal and seize the port again. Also, with the UAE's deal with breakaway Somaliland on Berbera and the seizure of the UAE's reported financial aid of $10 million to breakaway regions strained the relations between Somalia and the UAE, further preventing the UAE investments in Somalian ports.[49]

Unlike the UAE, Qatar maintained profitable relations with Somalia recently. Besides, in 2017 the Somalian government refused to part ways with Qatar as part of 2017 blockade and opted to pursue cooperative engagements with Qatar. In 2019, Qatar Ports Management Company announced that it is going to build a new port in Somalia's Hobyo city of Mudug region, creating a lifeline for itself over the Bab-el-Mandeb.[50] The deal between Somalia and Qatar on Mudug region reinforcements and building a port in Hobyo is said to initially cost around $170 million, however it is not confirmed by officially. It is clear that as one the areas on which Saudi Arabia, the UAE and Qatar have been spending money, the ports have been the one that have the most implications strategically.


Dubai's Jebel Ali Port

In early September 2020, DP World and Caisse de Depot et Placement du Quebec agreed on $4.5 billion worth investment. The agreement is an extension of an existing joint venture between DP World and a Canadian firm. With their wide reach, the two companies have investments across North America, Latin America and Asia Pacific. Reportedly, the new cash flow of $4.5 billion are going to be used for diversifying sectors and regions, including Europe.[51]

After the UAE and Isreal struck a normalization deal on 13th of August 2020, cooperation between DP World and various Israeli firms have been augmented. An initial agreement has been reached between the Israeli Dovertower company and Dubai Ports World on shipping activities. DP World Chairman Sultan Ahmed bin Sulayem stated that there is now a consensus between the two countries on building trade routes that will help both countries as well as the region. [52] The agreement includes but does not give any specific road map on the following; the privatization of Israel's Haifa port and a direct shipping route between the port of Eilat in Israel and Jebel Ali port in Dubai. Also, various memorandums of understanding have been signed between Israeli banks and DP World, capitalizing on the facilitation of developing ports and trade finance. For instance, Israeli bank Leumi have reached an agreement with DP World for abovementioned tasks and the bank also has struck a memorandum of understanding with the UAE's First Abu Dhabi Bank and the Emirates NBD bank of Dubai.[53]

[49] Harun Maruf, "Somalia Seizes Nearly $10M From UAE Plane in Mogadishu" *VOA News*, 8 April 2018.

[50] "Qatar to build new port in Somalia's Hobyo" *Al Jazeera*, 20 August 2019

[51] Aaron Kirchfield, "DP World, Canada Fund Plan $4.5 Billion of Port Investments", *Bloomberg*, 3 September 2020.

[52] Abdelraouf Arnaout, "Israeli firm signs cooperation deal with DP World", *Anadolu Agency*, 16 September 2020.

[53] "Israel's Bank Leumi, Dubai's DP World to explore regional shipping cooperation", *The Times of Israe*l, 21 September 2020.

After the UAE and Isreal struck a normalization deal on 13th of August 2020, cooperation between DP World and various Israeli firms have been augmented. An initial agreement has been reached between the Israeli Dovertower company and Dubai Ports World on shipping activities.

MEDIA

The need to reflect on the Arab street as a gate for the wider world needs a control over financial resources of media. Investing in media assets has a growing importance in the foreign policy of the Gulf states. Along with investing in media assets, the media is increasingly instrumentalized in the foreign policy of Gulf states. For instance in 2017, one of the 13 demands issued by the blockading countries was the shutting down of Al Jazeera which would drastically minimise the Qatari influence over the Arab world that has been gained via media.

Most of the time it could be suggested that the Gulf investments in media outlets and tv channels abroad are carried out for keeping the wheels of propaganda and manipulation machines running. In 2010, particulary the penetration of Telegram, Twitter and Facebook platforms into the scene of revolutions, irritated the Gulf monarchies and required them to make smart investments into social media trolls who are basically furthering the governments's agenda at any cost and in any situtation. Hence, with the 2014 and 2017 geopolitical fractures in the GCC between Saudi Arabia, the UAE and Qatar, allegations have been made about respective efforts of manipulating media. In the 2017 crisis also, the UAE reportedly hacked the Qatar News Agency and spread propaganda as if the agency is talking on behalf of Qatar's Emir Sheikh Tamim bin Hamad Al Thani.[54] While Saudi Arabia and the UAE are pouring millions and millions

Saudi, Emirati and Qatari newspapers

[54] Kristian Coates Ulrichsen, "The coup that never was: How a disinformation campaign created the illusion of political chaos in Qatar, *Responsible Statecraft*, 7 May 2020

to tilt Qatar's image, Qatar also tried to ward off the negative implications by having done the same with the Saudi-UAE. For instance, in 2019 a pro-Saudi Arabia and the UAE media outlet Arab News claimed that Qatar is manipulating American media for its interests.[55]

In using financial wealth as an investment and sometimes as a way to gain influence over rivals, Saudi Arabia and its activities are dubbed "chequebook diplomacy", meaning channeling funds to media to tilt the narratives. Even, *Reporters Without Borders* claimed that various Saudi ambassadors themselves have reportedly used financial leverage for creating a better image of Saudi Arabia where they are based. At least in Senegal and the South African Republic, *Reporters Without Borders* argued that the Saudi ambassadors "suggested paying journalists" various amounts regularly in exchange for a pro-Saudi coverage.[56]

Saudi Arabia is also making media investments in Abu Dhabi and Dubai. For instance, Saudi owned MBC and OSN media institutions are based in the UAE, signifying a close relationship between Saudi Arabia and the UAE in terms of the shared perks of a pro-Saudi and pro-UAE coverage in the Middle East.[57] A branch of Qatar Investment Authority, Qatar Holding is the third-biggest investor in French media company Lagardère Group with a 13% stake. Other shareholders are media group Vivendi (23.5% of stakes) and activist fund Amber (20% of stakes).

EDUCATION

Just like media, education also constitutes a greater part of the narrating issue. In this sense, Gulf states heavily invest in particularly the U.S. and British universities and centres under the universities. But recently the adventurist foreign policies of Gulf states and their human rights records have caused a growing dissatisfaction with the funding in the eyes of public image. One critical quite harrowing event was the killing of Jamal Khashoggi in Saudi Consulate in Istanbul, October 2nd


US universities are also home to large Gulf investments

[55] Ben Flanagan, "Exposed: How Qatar manipulates American media" *Arab News*, 15 April 2019.
[56] "How Saudi Arabia manipulates foreign media outlets", *Reporters Without Borders*, 9 June 2015.
[57] "Saudi Arabia profile – Media" *BBC News*, 25 February 2019.

Table 1: Funding and gifts from the Gulf to the US and Europe in the last decade

University or college	Location	Amount of Fund	Funder
George Washington University	Washington, DC	$73.7 million	Saudi Arabia
George Mason University	Fairfax, VA	$63.1 million	Saudi Arabia
Tufts University	Medford, MA	$41.9 million	Saudi Arabia
University of Kansas	Lawrence, KS	$27.3 million	Saudi Arabia
Northwestern University	Evanston, IL	$14.4 million	Saudi Arabia
Eastern Washington University	Cheney, WA	$13.1 million	Saudi Arabia
NY Institute of Technology	NY City, NY	$12.3 million	Saudi Arabia
Ball State University	Muncie, IN	$10.2 million	Saudi Arabia
Texas A&M University	College Station, TX	$9.3 million	Saudi Arabia
Texas A&M University	College Station, TX	$285 million	Qatar
Carnegie Mellon University	Pittsburgh, PA	$300 million (over)	GCC
Cornell University	Ithaca, NY	$60 million (approx)	GCC
MIT	Cambridge, MA	$100 million (approx)	GCC
University of Exeter	Great Britain	£8 million	UAE
London School of Economics	London	£5.8 million	UAE
London School of Economics	London	$11.5 million	UAE
Harvard	Cambridge, MA	$50 million (approx)	SA,UAE,Qatar
Yale	New Haven, CT	$375 million	SA, UAE, Qatar
Georgetown University	Washington, DC	$415 million	Qatar

2018, casting doubt on Gulf money that is channelled toward Western universities. Another event was the detention of Matthew Hedges, a British Durham University PhD student, by the UAE on charges of spying.[58]

As part of a recent escalation of tension between Western universities and the Gulf, Harvard chose to cease one of its fellowship programs with Crown Prince Mohammed bin Salman's charity organization. It has been said

[58] Richard K. Lester, "Letter to MIT faculty regarding engagement with Saudi Arabia", *MIT News Office*, October 22, 2018.

LSE is one of the leading UK universities that attract Gulf countries' interest

that 37 U.S. universities received $354 million from Saudi Arabia or from the governmental institutions in this decade and $62 million of that $354 million were channelled as gifts from Saudi kings and their companies.[59] According to AP news' data the universities that have obtained the most fund from Saudi Arabia can be shown via a table.

Saudi Arabia and the UAE funding are particularly visible in the US and in Britain. A funding could take many forms from providing scholarships to financially supporting specific programs. Recently the Gulf funding came into focus in the US with an investigation into such notable institutions as Harvard and Yale. The US Department of Education launched a probe[60] into Harvard and Yale on suspicion of unreporting foreign gifts from Saudi Arabia, the UAE, Qatar and China.[61] Reportedly, the University of Yale has not informed the DOE appropriately about $375 million funding. Like Yale, Harvard has been funded by the Gulf states extensively over the years.

In 2019 also, the DOE had opened another investigation into Georgetown University and Texas A&M University over the fact that these universities failed to disclose foreign gifts and funds that exceed $250,000. It has been indicated that the Georgetown received over $415 million in foreign gifts and funds, most of which came through a partnership with the Qatar Foundation.[62] Another source claims that Georgetown University received approximately $333 million from Qatar, making it top US university in receiving funds and gifts from Qatar.[63]

According to Texas A&M University's data, the school received over $285 million in foreign gifts and funds since 2014, again thanks to a partnership with the Qatar Foundation.[64] Along

[59] Collin Binkley and Chad Day, "Amid global uproar, some US colleges rethink Saudi ties," *AP News*, October 30, 2018.

[60] "US Department of Education Launches Investigations into Foreign Gifts Reporting at Ivy League Universities" *Department of Education*, 12 February 2020.

[61] "Harvard and Yale 'failed' to disclose millions in donations from Gulf states, China," *Middle East Eye*, 13 February 2020.

[62] "US looking into university funding from Qatar and other outside sources," *The National*, 15 June 2019

[63] "How Qatar is paying US institutions $1.3 billion to gain 'dubious influence', *Al Arabiya*, 19 December 2018

[64] "How Qatar is paying US institutions $1.3 billion to gain 'dubious influence'.

with funding the US universities regularly, Qatar is also funding the UK universities to a wide extent. However, the Gulf fundings may not always be welcomed by the US and UK societies. In 2017, a group of British MPs raised their concerns about Britain universities' relations with the Gulf donors. The MPs have argued that millions of funds pouring into the British universities are used for establishing Middle East related centres, and therefore used for creating influence on the side of Saudi Arabia, Qatar and Kuwait.[65]

The Financial Times reported that the Gulf Cooperation Council (GCC) states have spent as much as $2.2 billion for influence in Western universities between 2012 and 2018 and a billion fund was paid by Qatar, $580.5 million by Saudi Arabia and $213 million by the UAE.[66] While recent donations and fundings could be understood in a context of creating influence and the need to have a greater relations with Western policymakers, there are also donations and fundings that date even back to before the 2000s. [67]

REAL ESTATE

The real estate sector investments by the Gulf states particularly in the U.S. and in Britain refers to the fact that these states use this tool as a -profit generating mechanism- But, there is another story here. Gulf states invest in real estate, not only demonstrating their financial power but also creating a bond with policymakers and important figure where the real estate holdings are based.

Apart from the fact that the high-cost sports competitions are held in Riyadh and the Riyadh leadership has sports clubs in Europe, another important sector where financial resources are allocated is the real estate industry. In 2015, before being declared the Crown Prince, Mohammed bin Salman bought the $300 million Chateau Louis XIV in Louveciennes in France, which sheds light on the size of the financial

Mayfair is one of London's hot spots for real estate investors from the Gulf region

[65] Camilla Turner and Harry Yorke, "Exclusive: MPs demand British universities stop accepting donations from dictatorships" *The Telegraph*, 13 August 2017.

[66] Andrew England and Simeon Kerr, "Universities challenged: scrutiny over Gulf money" *Financial Times*, 13 December 2018

[67] "Universities challenged: scrutiny over Gulf money".

Sheikh Khalifa has many properties in London's most prestigious locations, but the identity of Sheikh Khalifa was kept secret for years, and the advisers and lawyers called him 'the Client'.

power which the Crown Prince possesses. Chateau Louis XIV has been reported many times to be the "most expensive home in the world".[68] The given home was purchased through shell companies that are registered in France and Luxembourg and owned by Eight Investment Company. Eight Investment Company is allegedly a company that invests in accordance with the "needs" of the royal family of Saudi Arabia and especially Mohammed bin Salman.

It is rumored that a mansion for the Royal the Al-Thani family is under construction in Los Angeles, and it is worth $300 million.[69] But Al-Thani family is not on the front line, a Lebanese immigrant Thomas Barrack is buying the property for Al-Thani family. Barrack worked with Al-Thani family in the past, too, to purchase Miramax Films and London's Claridge's Hotel. Barrack has good relations with Donald Trump in business, and he supported Trump's campaign in 2016.

Sheikh Khalifa bin Hamad bin Khalifa Al Thani, the brother of the current amir of Qatar, has a luxurious life in Los Angeles.[70] He is educated at the University of Southern California, and he has a lot of leverage by business people and university staff. But he started his academic life in February 2011 with L. A. Mission College. Students in this college were mostly Latino and considered to be food-insecure, and college was far away from where he lived. It is not clear why he chose this college. There are many expenditures that have been kept out of the record (especially with The Beverly Hills Rent-A-Car). With the amir's mother, Qatar invested money in universities in the USA. Thomas Barrack arranged meetings between Sheikha Moza and the University of Southern California's president. After the meeting, the prince and his cousins were transferred to USC. But the prince is not interested in university so much. According to claims, the prince's success is because of a grad student named Juvenal Cortes. He said that he is working with the Qatari royal family. He talked with professors on behalf of the prince and his cousins. They did not need to come to classes. The prince also used money to get things done.

A UK property portfolio, which is worth £ 5.5 bn, has been revealed, and it belongs to Sheikh Khalifa bin Zayed al-Nahyan. According to the Guardian, Sheikh Khalifa has many properties in

[68] Nicholas Kulish and Michael Forsythe, "World's Most Expensive Home? Another Bauble for a Saudi Prince", *The New York Times*, 16 December 2017.

[69] Amy Lamare, "One of L.A.'s Highest Property Tax Bills: 77,000 Square Feet On Chalon Road In Bel Air", Celebrity Net Worth, 6 March 2020.

[70] Harriet Ryan and Matt Hamilton, "The true story of the hearttrob prince of Qatar and his time at USC", Los Angeles Times,


Saudi Aramco, Dhahran Office Complex

London's most prestigious locations, but the identity of Sheikh Khalifa was kept secret for years, and the advisers and lawyers called him 'the Client'. Transactions were carried out by different companies and elite London law firms. It is claimed that the property portfolio was created in a subterranean way through stealth-like deals over many years. The Guardian exposed Khalifa's interest in UK properties in 2016. In 2015, the portfolio had swelled in value to £ 5.5 bn with an annual rental income of £ 160 m. But it is indicated that all of the properties had been legitimately purchased.[71]

The Qatar Investment Authority is looking for long-term sovereign funds without short-term liabilities to be meet. Estimated assets of the wealth fund are $295 m, and it has 50 per cent and 55 per cent of asset allocation in private and public equity. The Qatar fund partially owns the Canary Wharf Group in London, and they took an undisclosed stake in the German clinical-stage biopharmaceutical company CureVac which is worth $126 m.[72]

ENERGY

Energy is also another strategic area into which Saudi Arabia, the UAE and Qatar have been pouring millions of dollars. Along with sporadically occurring unexpected investments, the Gulf states invest in energy resources and platforms in accordance with their energy strategies. In this respect in 2020, Saudi Arabia is said to have focused on a $30 billion investment in renewable energy.[73] The main driving factor for Saudi Arabia to make this investment is the fact that the kingdom's economic resources are growing narrower than ever in the face of the diminishing role and price of oil. Even if an agreement was reached between Saudi-led OPEC and Russian Federation-led OPEC+ member countries, the Brent type crude petrol and West Texas Intermediate petrol do not seem to satisfy oil producing countries and their firms. Also, as an energy investment, Saudi Arabia's national oil company ARAMCO again initiated the process of purchasing a

[71] "Leaked documents show how UAE president amassed a £5bn London property portfolio", *Middle East Eye*, 18 October 2020.
[72] "Qatar Investment Authority: More than half of assets invested in private and public equity", *Middle East Monitor*, 17 October 2020.
[73] "2025: Saudi Arabia to invest $30billion in renewable energy", *International Finance*, 19 February 2020.
[74] "Saudi Aramco to review SABIC deal after oil price crash", *Middle East Monitor*, 11 May 2020.

nearly 70% stake in SABIC (Saudi Basic Industries Corporation) petrochemical company. In the previous year Saudi Arabia and SABIC had reached a deal, however, with Mohammed bin Salman's hasty decision, the deal was put off. It is expected that Saudi Arabia will pay SABIC nearly $40 billion, down from its $70 billion former pricing.[74] Therefore, economic diversification needs could cost Saudi Arabia as much as $30 billion in the years ahead, possibly by 2025.

> In late November of 2020, Saudi Aramco struck various business deals with companies in Europe and Asia.

In late November of 2020, Saudi Aramco struck various business deals with companies in Europe and Asia, such as Shell AMG Recycling B.V. in the Netherlands, Suzhou XDM in China and Posco from South Korea. Aramco said that the new investments have been about steel plate manufacturing, 3D printing and other systems and technologies.[75] Along with these new investment areas, Saudi Arabia has also been making energy investments in India. Having earlier invested in fiber optic assets technology, Saudi Arabia's PIF also invested approximately $1.3 billion in Reliance Retail, whose owner is Mukesh Ambani, for some "the richest Indian", to purchase a 2.04% stake.[76] Earlier in October, Abu Dhabi's Mubadala Investment Co also invested nearly $855 million in Reliance Industries' retail unit, Retail Venture, consolidating the UAE's investments in India.[77]

Another GCC state which is drastically in need of economic diversification away from oil is the UAE. The CEO of one of the most powerful investment funds in the Gulf with an estimated portfolio of $240 billion,[78] Khaldoon Khalifa Al Mubarak has said that the UAE is preparing for a $12.66 billion spending by 2050 in order "to meet its clean energy needs."[79] Investing only in clean energy objectives as much as $12.66 billion demonstrates that the UAE is eyeing other energy investments with higher costs. In this respect, the UAE is making major investments in nuclear energy as well. To realize its self-sufficiency in energy, the UAE plans to open Barakah Nuclear Power Plant that has been built in Abu Dhabi. Barakah Nuclear Power Plant, which is a part of four reactors to be opened up by 2023, is estimated to have cost over $25 billion.[80] There are also other investments in renewable energy, as soon as January

75 "Saudi Aramco eyes news business, signs partnerships with six firms," *ZAWYA*, 30 November 2020.

76 P.R. Sanjai and Matthew Martin, "Saudi Arabia's PIF Invests About $1.3 Billion in Mukesh Ambani's Reliance Retail," Bloomberg, 5 November 2020.

77 P. R. Sanjai and Anirban Nag, "Billionare Ambani Gets $855 Million from Abu Dhabi for Retail Venture," Bloomberg, 1 October 2020.

78 "Where Abu Dhabi's Mubadala is investing its billions" *Arabian Business,* 10 December 2019.

79 Rommer M. Balaba, "Investment in renewables consistent with UAE energy strategy" Mubadala CEO", *Arab News*, 11 February 2020.

80 Mahmoud Habboush, "Arab World's First Nuclear Reactor Cleared for Startup", *Bloomberg*, 17 February 2020.

2020. The UAE-based energy investment company Al Nowais chaired by UAE businessman Hussain Al Nowais[81] announced that it plans $500 million renewable energy fund through its AMEA Power which has primarily invested in Egypt.[82]

Abu Dhabi's Mubadala is a primary investor in global technology from as early as the 2007s. Along with many other major investments in the US, Mubadala has invested in the Silver Lake firm in the US, whose primary occupation is with technology investments, about $2 billion, paving the way for a long-term investment strategy between Silver Lake and the Mubadala Investment Company.[83]

Abu Dhabi has also heavily invested in agriculture-related technologies and firms abroad. One of the latest investments by Abu Dhabi in agricultural technologies has been the agreement with Louis Dreyfus (LDC). The entity is a commodity trader and Abu Dhabi has invested nearly $800 million in the LDC. As part of this agreement, it is stated that LDC will also sell agricultural products to the UAE.[84] Along with this investment, as part of a wider investment strategy towards Egypt, Abu Dhabi's ADQ signed an agreement with Lulu International to make investments worth nearly $1 million in Egypt. ADQ explained that the investment strategy is to build thirty hypermarkets and one hundred mini market stores and logistics hubs across Egypt with the help of Lulu International.[85]

Qatar is also investing heavily in energy with its Qatar Petroleum and Qatargas national companies. Unlike Saudi Arabia and the UAE, Qatar obtains much more revenue and reputation from natural gas reserves rather than from oil industry, being the third country in the world in having the most natural gas reserves after the Russian Federation and Iran. Qatar is also in cooperation with prominent US companies such as ExxonMobil in exploring new gas fields in the Gulf and in the Eastern Mediterranean.[86] As early as 2017, it is suggested that Qatar has concluded deals with

- Russian petroleum company Rosneft in exchange for $6.83 billion,
- Netherlands oil company Royal Dutch Shell in exchange for $2.33 billion,
- French petroleum company Total in exchange for $2 billion,
- Malaysian petroleum company Pengerang Integrated Petroleum Complex in exchange for $5 billion
- Spanish energy company Iberdola in exchange for $2.9 billion.[87]

In energy investments, Qatar has also built an Islamic Energy Bank in 2019, with an estimated cost of $10 billion, Qatari Financial Centre Authority Al-Jaida suggested. [88]As Qatar began to rely on regional and international partners other than its Gulf neighbors in the face of the blockade, Qatari investments in Turkey, Iran and the US have accelerated after

[81]AlNowais Investments, https://www.alnowais.com/our-businness/energy-and-infrastructure-project-development/
[82] Salma El Wardany, "U.A.E.'s Al Nowais Plans $500 Million Renewable Energy Fund" 22 January 2020.
[83] "Silver Lake and Mubadala Partner to Establish Unique Long-Term Investment Strategy," Business Wire, 30 September 2020.
[84] Sean Cronin, "Abu Dhabi fund boosts food security with $800m Louis Dreyfus deal," Arab News, 11 November 2020.
[85] Archana Narayanan, "Abu Dhabi's ADQ Pumps $1 Billion Into Lulu's Egypt Expansion," Bloomberg, 19 October 2020.
[86] Muhsin Tiryakioğlu, "ExxonMobil & Qatar Petroleum to explore Cyprus' block 10", *Anadolu Agency*, 5 April 2017.
[87] Neşe Karanfil, "Katar'ın dünyada 335 milyar dolarlık yatırımı var", *Hürriyet News*, 5 Haziran 2017.
[88] Nuran Erkul Kaya and Tuba Şahin, "İslami enerji bankası Türkiye'deki projeleri de destekleyecek", *Anadolu Agency*, 27 March 2019.

2017. During an official visit to Ankara, Qatari Emir Sheikh Tamim bin Hamad Al Thani met with Turkish President Recep Tayyip Erdogan and promised an investment package amounting to $15 billion with Turkey would be realized within years.[89] In 2019 also, the US and Qatari officials along with the Exxon mobil and Golden Pass companies' presence, announced that Qatar would invest in a gas facility in the US. The announcement included a $10 billion project, which would be spent on an export facility in Texas.[90] In addition to its investments abroad, Qatar is also making investments to its own energy demands as well. In line with this development, Qatari officials stated that Qatar and French company Total will build a solar power plant which would be named "Al Kharsaah" at a cost of $467 million.[91] In a time of when the oil and natural gas reliant Gulf economies such as Saudi Arabia, the UAE and Qatar are struggling with plummeting global demand for oil and hence the historical drops in the market price of oil, the economic diversification plans significantly looms large. In accordance with the global precedence, energy investments of the Gulf states could ramp up countries' economic growth rates and their vulnerability with hydrocarbons.

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[89] Kemal Karadag, "Qatar to make direct investment of $15 billion in Turkey", *Anadolu Agency*, 15 August 2018.

[90] "U.S., Qatar energy ministers to announce Qatari investment in U.S.: Energy Department" *Reuters*, 5 February 2019.

[91] "Qatar to build new solar power plant", *Al Jazeera*, 20 January 2020.

CONCLUSION

How financial resources are used for investment purposes varies drastically. International investments and foreign investments can increase the economic income and prestige of countries. As it is understood, investments are much more than a zero-sum game in terms of both the investor, investment area and the country. Investments also present a diverse image as commercial investments, prestige investments and investments with high political interest. Gulf countries with varied investment instruments and economic incomes have been using foreign investments effectively for a long time. In addition to being intertwined with the global economy and having free trade zones, the large financial resources of political elites facilitate investments.

The political dimensions of foreign investments of Gulf countries are varied, just like their economic purposes. Gulf countries, which have investments that have been continuing for almost 50 years, cannot make investments by excluding political goals. Therefore, most of the investments take place in Western countries, just like the majority of the political relations of the Gulf countries. Countries such as the US, Britain and France are at the forefront of foreign investments provided by Gulf countries.

As this study reveals, the international investments of Gulf countries are utilized rather as instruments for foreign policies of these actors. While, in some cases, Gulf countries try to influence the foreign policy decisions of a Western country, in other cases these investments aim to counter the increasing foreign policy activism of another Gulf actor. Another motivation of Gulf countries to invest globally is to prevent a rival regional or international actor from expanding its reach in various sectors such as ports management, airlines, sports or energy.

Finally, foreign investments also constitute the project of diversifying the economic resources of the Gulf countries. Gulf countries have economies based on petrochemical products as well as oil and natural gas revenues. It is possible for hydrocarbon energy to lose its first position in the sector in the long run. In this way, there are long term investments strategies made with this in mind.

How permenant these investments will be necessarily depends on political processes. Admittedly, a detailed investment analysis requires further studies. For this reason, this study has the capacity to be the study of a book that is planned to be published in the future.