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# To What Extent Does the Development of the GCC Countries' Sovereign Wealth Funds Provide an Evolving Instrument in their Security and Foreign Policy

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This research seeks to explore how the vast GCC sovereign wealth funds (SWF) can provide a vehicle for the development of the foreign security policy of these countries using constructivist paradigm. Although mostly small in sizes except for Saudi Arabia, the GCC countries with their extensive energy wealth are gradually becoming major players on the world stage. This was especially highlighted during the 2007-08 international financial crisis when GCC countries were visited by Western politicians requesting their assistance in bailing out failing financial institutions especially American banks. Gulf Cooperation Council sovereign wealth funds took the initiatives to invest in these failing Western financial institutions without much guarantee about returns on their investments which can be interpreted in different ways. Firstly, it could be interpreted as an effort to support the United States for example for its security guarantee or secondly as a means for these countries to gain influence (Behrendt, 2008). The increasing level of GCC sovereign wealth funds constituting at least 40% of global SWF and their reach in investments globally signal increased geopolitical meaning. However, the fund managers and the countries they originate have indicated that their investments are business transactions intended for purposes such as future generation and pension funds. Bahgat (2011) however indicates that GCC's SWF could have some foreign and security policy undertone. Over the years GCC countries have developed their security and foreign policies based on 'bandwagoning' realist paradigm in which the United States or the United Kingdom serve as proxy protector from challenges within and without. With some of the highest spending on their military and the


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changes in the political dynamics with globalisation and their own development, GCC countries while maintaining their 'bandwagoning' policies, have been emboldened by their wealth and military capability in term of military hardware. Ehteshami and Hinnebusch (2013) in seeking to clarify the GCC foreign and security policies in this new era indicates that it is complex realism because it provides a means for the countries of the GCC to continue to seek the protection of their Western allies, especially the United States and the United Kingdom while also flexing their own muscle. It is for this reason that Young (2015:15) asserts that the current foreign policy direction of the GCC is punctuated by the 'balancing of realist concerns for state power and survival with domestic environments accommodating diverse constituents and structural considerations of the international systems'. Young (2013) also indicates that the GCC has change direction in its foreign and security policies to become interventionist. Intervention in Bahrain during the Arab Spring of 2011 as well as recent intervention in Yemen shows the changes that have come to mark the GCC. The deduction from the above discourse on GCC's foreign and security policy is that it has always been assessed using positivist approaches which fail to reconcile agency and structure issues in the foreign and security policy making. The use of constructivist methods in this work from the point of view of sovereign wealth funds provides means of exploring various themes both from agency and structure. In other words, how does the institutions and the policy makers affect GCC foreign and security policy making? Key Words: Development, GCC, SWF, Security, Foreign Policy.