



Department of Sociology and Public Policies

International Business and the political environment: an exploratory study.

“Comparative Study of Iraqi, Saudi Oil Trade”

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I dedicate this work to the soul of my example, and patriotism, as part of my fulfillment of the Covenant to continue the way

RESUMO

Este artigo é uma dissertação de mestrado para o programa de mestrado em Estudos Internacionais no Departamento de Sociologia e Políticas Públicas da Universidade Iscte. Como o título indica, o objetivo desta tese é explorar o que é o ambiente político e apresentar o conceito de negócios internacionais e o impacto desses trabalhos no ambiente político, definindo o contexto teórico e extrair esse contexto de uma análise comparativa. do contexto histórico do comércio de petróleo iraquiano e saudita e seu impacto no ambiente político das partes interessadas. As questões de pesquisa são:

-Qual é o conceito do ambiente político e seus componentes?

-Os negócios internacionais têm impacto no ambiente político?

-Como o comércio de petróleo do Iraque e da Arábia Saudita afetou o ambiente político desses países?

A fim de responder às questões supracitadas e cumprir o objetivo deste trabalho, optou-se por um método de pesquisa qualitativa. O estudo baseia-se principalmente em fontes secundárias, como livros didáticos, artigos, revistas e jornais, bem como recursos da Internet.

Ao fazer a análise comparativa Análise de diferentes estágios históricos do comércio de petróleo e para duas regiões diferentes e a extensão da convergência teórica de conceitos teóricos com o realismo prático derivado dos eventos dessas etapas. Isso prova o argumento dessa teoria e a completou e como seu impacto prático no ambiente político

A conclusão tirada do estudo é que os negócios internacionais afetam o ambiente político e seus elementos, e os resultados teóricos coincidem com os resultados da análise da experiência prática derivada do contexto histórico de um século, que o comércio de petróleo iraquiano e saudita como um dos negócios internacionais influenciou o ambiente político das partes interessadas, Eles desenharam seu comportamento político, o que se refletiu na situação política interna e relações internacionais, que por sua vez refletiu sobre a segurança das partes interessadas, seja na forma de riscos políticos ou processos de desenvolvimento para esses países.

Palavras-chave: negócios internacionais, ambiente político, relações internacionais, gestão

Abstract.

This paper is a Master thesis for the master's program in International studies in the Department of Sociology and Public Policies at Iscte University. As the title indicates, the aim of this thesis is to explore what is the political environment and present the concept of international business, and the impact of those works on the political environment by setting the theoretical context and draw that context from a comparative analysis of the historical context of the Iraqi and Saudi oil trade and their impact on the political environment of the stakeholders. The research questions are:

- What is the concept of the political environment and its components?
- Does international business have an impact on the political environment?
- How has the Iraqi and Saudi oil trade affected the political environment of these countries?

In order to answer the questions and fulfill the aim of this paper, a qualitative research method has been chosen. The study is mainly based on secondary sources such as textbooks, articles, magazines, and newspapers as well as internet resources.

In making the comparative analysis Examination of different historical stages of oil trade and for two different regions and the extent of theoretical convergence of theoretical concepts with the practical realism derived from the events of those stages. This proves the argument of this theory and completed it and how its practical impact on the political environment.

The conclusion drawn from the study is that international business affects the political environment and its elements, and the theoretical results coincide with the results of the analysis of the practical experience derived from the historical context of a century, that the Iraqi and Saudi oil trade as one of the international business influenced the political environment of stakeholders, They drew their political behavior, which was reflected in the internal political situation and international relations, which in turn reflected on the security of stakeholders, whether in the form of political risks or development processes for those countries.

Keywords: international business, political environment, international relations, management

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LIST OF ABBREVIATIONS

FDI -foreign direct investment.

CSR- corporate social responsibility.

TNC- Transnational corporations.

IEA -International Energy Agency.

OPEC- Organization of the Petroleum Exporting Countries.

TPC- Turkish Petroleum Company.

IPC- Iraqi Petroleum Company.

PRC- People's Republic of China

INOC- Iraqi National Oil Company.

RCC- Revolutionary Command Council

OAPEC- Organization of Arab Petroleum Exporting Countries

CIA- Central Intelligence Agency.

Aramco- Arabian-American Oil Company

SOCAL- Standard Oil of California

CASOC-California Arabian Standard Oil Co

NOC- National Oil Company.

CEO- chief executive officer.

Chapter One: Introduction.

The subject of this thesis is international business and the political environment, through which we show the impact of international business on the political environment and the nature of that impact and where it emerges and what are the consequences, we review the concept of international business and then develop the concept of political environment and by analyzing the definition of the political environment. After completing the theoretical solicitation between the two concepts, we conclude the impact of international business on the political environment. Then so the historical context in which we test the validity of the theory that has been drawn in addition to the completion of clarifying the theoretical context in which it aims to put this research stems from the base through which researchers in this subject as well as the induction material for students and researchers.

The results of the comparison were identical to the theoretical context and were able to clarify that context, through which the research question was answered, and the purpose for which this research was conducted, and the results were put in the conclusion.

1.1-Aim and research question.

This thesis seeks to develop a theoretical context on the impact of international business on the political environment. We highlight how international business affects the political environment and what are the consequences of that influence and test the validity of that theory. Here's a search question that will try to answer the following questions:

- What is the concept of the political environment and its components?

Does international business have an impact on the political environment?

How has the Iraqi and Saudi oil trade affected the political environment of these countries?

1.2 Motivation and the importance of the study.

The motives for writing this research are to develop a theoretical context to be a material for the benefit of researchers and students. The magnitude of the impact of international business, and one of the motives that gave us the incentive to be the first research work that sets a theoretical basis showing the impact of international business on the political environment.

The importance of the study is important for several reasons. First, it shows the impact of international business and develop a theoretical base for that impact and develops a concept that shows the meaning of the political environment and its elements. That industry has several areas.

The importance of the study is important for several reasons. First, it shows the impact of international business on the political environment, and sets a theoretical basis for that impact, and develops a concept that shows the meaning of the political environment and its elements. It is the oil industry and shows the impact of the industry in the climate of the state under study.

1.3- Research methodology and structure.

The thesis was based on the development of concepts related to the subject and clarification and then took the period of the last century of the political history of the Iraqi and Saudi oil industry as a model for international business.

The dissertation data were collected mainly from secondary sources. As for the interpretation of the research data, it relied solely on the analysis of qualitative data.

The research structure:

In this chapter, introduction to the context of the thesis, the purpose and question of the research and the motives of writing the research in addition to the methodology and structure of the research, (chapter one).

In the following chapter, we explain the concepts of international business and political environment and then the impact of international business on the political environment and its elements, (chapter two).

After that, we discuss the historical context of the oil trade in Iraq and its relationship with the countries and companies with an introduction and three historical stages since the emergence of that sector at the beginning of the last century to the end, (chapter three).

Then we deal with the historical context of the Saudi oil trade as well as its relationship with the countries and companies of interest and the resulting political interactions divided into three stages since the emergence of the modern Saudi state and the emergence of that sector until the end of the last century, (chapter four).

This chapter presents a comparative analysis of the historical context presented in Chapter third and chapter fourth, and the theoretical results obtained in Chapter two were tested in addition to illustrating those findings and supporting their structure, (chapter five).

Finally, Chapter 6 provides a conclusion to the research work, which draws a conclusion based on what was discussed in the previous chapters of the thesis summarizing the research results, (chapter six).

Chapter II: International Business and the Political Environment.

2.1 introduction.

Consumer needs are what created international business and trade between peoples has long been known. But access to these materials that meet the consumer needs in a sustainable manner requires securing control over sources and transport lines.

From this humanitarian need formulated the concept of cross-border trade exchange, but this idea requires control of the sources of consumer goods must be political influence to absorb the owners of the source is done through the relationships between the stakeholders established source, consumer and intermediary and produces motives of control political behavior of stakeholders and be the result of that behavior The nature of the relations between the stakeholders and thus will be reflected in the domestic policy of the place of source, consumer and intermediary thus reflect the momentum of international business on the political environment.

Based on this hypothesis, the research questions have been asked whether there is an impact of international business on the political environment, what is the nature of that influence, where are the places of influence, and what is the concept of the political environment? To answer these questions and check the research hypothesis, we divided this chapter into three sections: In the first section we will shed light on the concept of international business and in the second section we develop the concept of the political environment and show the elements and then show the impact of international business on the political environment and its elements.

2.2 - International Business.

The first theory of international trade, in England, appeared in the mid-nineteenth century. The basic principle of marketing was that gold and silver were the basic pillars of national wealth and necessary for strong trade. At that time, gold and silver were the currency of inter-country trade. A country can earn gold and silver by exporting goods. Conversely, the importation of goods from other countries would lead to the flow of gold and silver to those countries. The main tenet of marketing was that it was in the interest of the country to maintain a trade surplus and export more than it imported. By doing so, the state may accumulate gold and silver, thereby increasing its national wealth, prestige, and power. As the English merchant Thomas Moon wrote in 1630, (Hill, 2013, pp178-179).

International action relates to any situation in which the production or distribution of goods or services crosses the borders of the country. The transition to a more integrated and integrated global economy

creates greater opportunities for international business. Such globalization can occur in terms of markets, where trade barriers are falling, and buyer preferences are changing. This can also be observed in terms of production, where the company can easily export goods and services from other countries, (Carpenter, Dunung, 2012, pp18). Over the past three decades, there has been a fundamental shift in the global economy. We have moved away from a world in which national economies are relatively independent entities, isolated from barriers to cross-border trade and investment; by distance, time zones and language; and by national differences in government regulation, culture and business regulations. We are moving towards a world where barriers to cross-border trade and investment are shrinking; perceived distance has shrunk because of advances in transport and telecommunications technology; physical culture has begun to resemble the whole world. National economies are integrated into an integrated and coherent global economic system. The process in which globalization happens is usually referred to as globalization

A world in which international institutions such as the World Trade Organization and leaders of the world's most powerful economies have repeatedly called for reducing barriers to cross-border trade and investment. It is a world where the symbols of materials and popular culture are increasingly global: from Coca-Cola and Starbucks to Sony PlayStation, Samsung cellular phones, MTV shows, Disney movies, IKEA stores, Apple iPod and iPhone. It is a world in which products are produced from inputs that come from all over the world. It is a world in which the financial crisis in America could cause a global economic recession. This is exactly what happened in 2008 and 2009. It is also a world in which powerful and noisy groups against globalization, which they blame on the list of ills, threaten unemployment in developed countries to environmental degradation and America. Popular Culture. And yes, these protests have sometimes turned violent, (Hill, 2013, pp4). **This means that international business in its contemporary form has had repercussions on the political situation of countries, whether those effects are positive or negative by reducing the barriers set by the national economy.**

However, Smith, Ricardo and Hecker Olen's theories tell us that a country's economy can win if its citizens buy certain products from other countries that can be produced at home. Gains arise because international trade allows a State to specialize in the manufacture and export of products that can be produced more efficiently in that country while importing products that can be produced more efficiently in other countries. Thus, it may make sense for the United States to specialize in the production and export of commercial jets, because the efficient production of commercial jets requires abundant resources in the United States, such as highly skilled manpower and the latest technological know-how. On the other hand, it may make sense for the United States to import textiles from Bangladesh because the effective production of textiles requires a relatively cheap labor force, and cheap labor is not abundant in the United States, The theories of Smith, Ricardo, and Hickshire-Olin suggest that the economy as a

whole has been affected by such action. One of the main ideas of international trade theory is that import restrictions are often in the interest of local producers, but not for local consumers, (Hill, 2013, pp177).

According to this theory, international business affects the social classes produced in society.

Multinational companies, whose core business is foreign businesses, pay taxes to the states in which they operate. Most countries rely heavily on tax revenues to finance themselves. The wealth of society is created through its business activities, and the state relies on the economic surpluses resulting from these activities to increase its revenues. These revenues can then be used to promote many human rights, for example, the right to education, health, adequate housing, an adequate standard of living, etc.

Multinational corporations around the world employ 53 million people worldwide, although this represents only 1.9 percent of the total workforce. Also, in several developing countries, employment in foreign affiliates has increased relative to total employment over the past two decades. Jobs promote the right to work and enable people to provide an adequate standard of living. Multinational corporations train individuals to train individuals in technical and managerial skills (promoting the right to education and ultimately a better standard of living), and the State will use this working group to help fill the public service. In addition, political leaders have often developed their leadership skills and gained their experience in politics from working in the business sector. Therefore, many countries are keen to attract foreign direct investment (FDI) as a tool to restructure and develop local resources and capacities of recipient countries, (Schouten, 2007, pp17-18). Note that in addition to social impact, it can only be done through the economic factor.

In addition, international companies can take a variety of forms. They include business, government, and non-governmental organizations, so let's start looking at business where a business can be a person or organization working in the field of commerce for the purpose of making a profit. The business profit is usually measured financially and economically. However, a certain level of sustainable financial and economic profit is needed for the business to achieve other sustainable outcomes measured as social or environmental performance. For example, many companies that work for profit have a social and environmental mission, (Carpenter, Dunung, 2012, pp28). This shows the role of business in political life and gives us the perception of how it affects the relationships between its people, whether they are companies, governments or organizations, because it makes sense that these institutions work to build good relations between them to achieve sustainable results, in addition to the social role we referred to earlier. In order to achieve a sustainable business that achieves its objectives, it is necessary to provide a safe environment to ensure the success of that activity, which we will address later.

But before that, we must not forget that political behavior is a source of competence, market power, and legitimacy - especially in international contexts where political accommodation and opportunities for influence are more diverse and abundant. Moreover, political behavior is essential in international business because crossing borders enter companies in other sovereigns. However, we do not mean that companies are exclusively politically motivated - just that political behavior necessarily belongs to the study of international strategic management, (BODDEWYN, BREWER, 1994, pp137). International trade involves a full range of cross-border exchanges of goods, services or resources between two or more States. Such exchanges may go beyond the exchange of funds for physical goods to include international transfers of other resources, such as persons and intellectual property such as patents, copyrights, trademarks, trademarks, data, contractual assets and liabilities, for example, the right to use certain foreign assets, or to provide certain future services to foreign customers, Or implement a complex financial instrument. Entities involved in international business range from large multinational companies employing thousands of employees in many countries around the world to a small one-person company acting as an importer or exporter. This broader definition of international business also includes for-profit cross-border transactions as well as transactions motivated by nonfinancial gains, for example, triple floor, corporate social responsibility, and political interests that affect the company's future, (Carpenter, Dunung, 2012, pp18).

The authors Carpenter and Dunung provide a discussion on stakeholders because international business refers to a wide range of entities and activities. But who cares about international business in the first place? It sees stakeholders as each individual or institution whose interests may be affected as a result of what another individual or institution is doing. Stakeholder analysis is a method you use to identify and evaluate the importance of key people, groups of people or organizations that may significantly affect the success of your business, project or business. Individuals or organizations will have an interest in international business if they affect them in a positive or negative way. -They have something important at stake as a result of some aspects of international business, (2011, pp23).

Through the introduction, at the beginning of this section, we can draw a definition of **international business** is a cross-border business that has a political, social, and economic impact. Through the definition, we find that international business in contact with trade security and international relations and domestic policy and this petition raises the political risks of business Commercial.

As for trade is the exchange of goods and services between two persons or entities. So international trade is the concept of exchange between people or entities in two different countries. It is an application of international business applications, (Carpenter, Dunung, 2012, pp56).

The talk about the state of the petition for international business to which we have referred is illustrated by governments interfering in trade for a range of political, economic, social and cultural reasons.

The economic dimension of security in the modern world has assumed great importance. It poses the challenge and opportunity to enhance the security and stability of the State. The world is still divided between a group of economically successful countries with a high level of security, and a group of most underdeveloped countries, which in most cases suffer from deteriorating social and economic conditions due to the upward trend of poverty. And unemployment resulting from transitions. The disparities resulting from this division have facilitated the growing interest in the human dimension of security. Several reasons account for these new security contexts that have led to the expansion of the concept of security from state protection to the security of individuals and various social groups. Security has also expanded from the state level to the international community and its political environment, and the security function has expanded further. Previously, it focused almost entirely on military concerns, individual states are no longer solely responsible for ensuring security. International organizations, as well as regional and local authorities, non-governmental organizations, public opinion, and the media, now share these burdens, (Tatalović, 2009, pp116-117). Politically, the government of a country may seek to protect specific jobs or industries. Some industries may be considered necessary for national security purposes.

The political factors that affect the business are bureaucracy, corruption, freedom of the press, tariff system, trade control, right to education. It is to limit the influence of foreign stakeholders through their business activity on domestic policy, (Albugar, 2017, pp481). The arguments for government intervention take two ways: political and economic. Political arguments for intervention relate to the protection of the interests of certain groups within the state, often at the expense of other groups (usually consumers), or with a political objective beyond economic relations, such as environmental protection or human rights. Economic arguments for intervention are usually concerned with increasing the nation's public wealth for the benefit of all, producers and consumers alike, The political arguments for government intervention cover a range of issues, including the preservation of jobs, the protection of industries deemed important for national security, retaliation against unfair foreign competition, the protection of consumers from "dangerous" products, the promotion of foreign policy objectives, and the promotion of human rights in Exporting countries, (Hill, 2013, pp221). Promoting foreign policy goals Governments sometimes use trade policy to support foreign policy objectives. The government may grant preferential trade terms to a country that wants to build strong relations with it. Trade policy has also been used several times to pressure or punish "rogue states" that do not comply with

international law or rules. Iraq fought wide-ranging trade sanctions after the 1991 defeat of the US-led coalition in the Gulf War until the US-led invasion of Iraq in 2003. The theory is that such pressure could persuade the rogue state to reform its ways or accelerate government change. In the case of Iraq, sanctions were a way to force the country to comply with several UN resolutions. The United States maintained long-term trade sanctions against Cuba, (Hill, 2013, pp223). Thus, international business has a place in international relations between business and government, which has implications for the country's foreign policy and the political behavior of the ruling political systems. Growing from jurisdictions inherent in different political systems and ideologies. Here, we would like to highlight that the national feeling is in the case of growing in front of foreign trade activities creates a weapon used for political gain, and this growth remains subject to the behavior of the business enterprises we see it clearly in the new nation-states that emerged from the former colonies, starting with India in 1947. For several reasons including the anti-colonial reaction against the ideologies and economic and political practices of their former European masters and the dominant United States, These new countries favored government ownership and control over key industries, Many countries felt that their sovereignty was being challenged by fast-growing multinationals - government responses were swift and angry, leaving no doubts about the nature of the confrontation at this time. For example, in Chile in the early 1970s, a series of international bribery and political scandals that were widely publicized in the mid-1970s distorted the image of multinationals in the United States that were classified as stateless entities capable of transferring profits. From high-tax jurisdictions to low-lying areas, as looting of natural resources in developing countries and as enablers of easily authoritarian elites, (Boddewyn,2016, pp10-11).

Since the beginning of the 21st century, energy has played a key role in the economic and social development of nations. Eighty percent of the energy used is oil, natural gas, and coal, whose reserves are spent at an alarmingly fast rate. More countries are now worried about future supplies. The energy security of any state aims to provide itself uninterrupted power supply for economic development, but also to reduce its dependence on energy imports. Given the fact that many countries do not have their own sources of energy, most of them cannot achieve complete independence from the import of energy sources, one example is the European Union. European energy sources are few, but energy needs abound with the development of the EU economy, Energy security and the protection of vital infrastructure are unbreakable and interdependent and depend on each other, High energy demand is fueling the need to strengthen energy infrastructure. An increasing number of energy-importing countries have exhausted their reserves. China's rapid economic development and mismanagement, for example, exhausted the country's internal energy sources and forced it to begin importing oil in 1996. The United States, the world's dominant power, often controls certain areas rich in energy sources. While US investments

usually boost global energy security, they could dramatically raise the price of supplies. The Russian Federation, the largest country in the world, has significant sources of energy, which in turn makes it a party of global significance. On the other hand, the EU faces major problems with energy supplies. In a world of unequal energy situations, many problems and solutions emerge. The United States, Russia, and the European Union are the world's most important energy actors, and their actions have global consequences, (Tatalović, 2009, pp119-120). Bio-infrastructure includes power plants as well as gas, oil and electricity networks, warehouses, refineries, plants, telecommunications and information technology, finance, health care, food, water, transportation, etc. Exposing only one of these areas could cause millions of dollars in damage. In the long run, it could destroy a country economically, socially and politically. The protection of vital infrastructure is, therefore, a mandatory measure for the protection and prosperity of the State system, (Tatalović, 2009, pp120).

Transboundary companies that are the core of their business International business, that companies have links to social issues. Human rights cover the environmental and economic pillars of CSR. For example, the right to adequate food cannot be realized if the environment is contaminated. One of the human rights not currently recognized in international law and called the third generation of human rights is the right to economic and social development, which is linked to the economic pillar of corporate social responsibility. Economic issues related to CSR, such as bribery and corruption, are closely linked to human rights. A company cannot undermine the human right to participate in government when it engages in corrupt practices. Decisions will thus be made based on who pays more than the public interest. These economic and environmental issues are thus seen as human rights-related, (Schouten, 2007, pp22). The oil industry plays huge roles in social development and the economy, affecting all countries of the world. In international energy markets, oil prices have been affected by political power because they have affected the price mechanism all the time, (Yusof, Romle, Udin, Kamal, Azmi, 2016, pp125-126). This intervention must be motivated because oil revenues have an impact on development and reduce or increase political risks. Therefore, political power must intervene in the oil trade in line with its interests, giving a picture that the influence is mutual between international business and political life.

2.3 Political environment.

In this section, we will explain what the political environment is in terms of its types to derive its concept through which we derive a definition that enables us to reveal the components of the political environment that we will benefit from knowledge in the last section of this chapter, which is the essence of this study.

To clarify the concept of the political environment, we must identify the types of political environments. For the types of political environments, there are four political environments: oligopolies, monopolies, cartels, and divided states. Those who enjoy the limited power and penetration of the regime, multiple heterogeneous political elites and high levels of competition within generations, are described as oligarchic political environments. The oligopolies are characterized by a high level of competitive management and an active and complex conflict environment that is an open governance arrangement, for example, Somalia. In such spaces, regimes act as potential intermediaries for many and unable to integrate and coordinate to gain more important governance power. In contrast, monopolies arise when a system of subnational elites is combined with broad powers from the local to the national level to find a dominant path to political power. Monopolies in transition democracies can easily emerge as in authoritarian states such as Ethiopia. Violence in these contexts is closely coordinated with state authorities. Two other environments represent differences in the power of the subnational elite in conjunction with a capable and present system: cartels exist when regimes participate in ongoing negotiations on power. In these cases, various subnational elites are highly effective and independent, while others owe the regime's patronage. The result is a mixed governance experience across the state, such as Nigeria. Here, political elites struggle with each other to compete for positions and power levels. Finally, the complex environment is where the regime actively competes for power and legitimacy with the power of the main subnational elite. Both can overthrow their power and choose others to form a national platform, for example, South Sudan since 2013. The conflict in these cases corresponds to the bilateral competition between the state and its main competitor, (Raleigh and, Dowdy, 2018, pp1669-16670). So we can put the concept of the **political environment** is a state of conflict between the government to impose its authority on everything that affects the stability of the system and those affected by the imposition of power governance or is the state of relations resulting from the authority and the impact of stakeholders on each of them, whether companies or countries.

The authors Clionadh and Caitriona mention four differences between the four political environments based on the difference in the dimensions of centralization of the system and the number of strong and independent subnational elites. Based on these two criteria, the monopoly is an environment with a high level of system depth, along with a low level of elite fragmentation and subnational power. The opposite scenario represents oligopolies, where the state has little local penetration and many alternative power holders exist in the form of an equally strong and subnational elite. Between these poles sits cartel environments where the state must actively negotiate with many subnational elites to maintain legitimacy, sovereignty, and capacity. Finally, there is a fourth and rare diversity when the power of the regime is equal to that of the other elite coalition is divided and fragmented regimes. The diverse capacity to

contain alternative local power brokers has significant implications for the ability of any regime to govern, maintain a monopoly on power, and shape the limits of state presence across the region, (2018, pp1672). Where differences emerge or centered in the difference in the level and degree of authority of the political system, Based on the concept of political environment and through the differences between the types of political environments and the essence of the difference we can draw a comprehensive definition of the concept of political environment is the political environment is the ground on which political interactions between the ruler and elites and their surroundings outside the territory of the state, Or are the interactions of political activity between stakeholders and the resulting political risks or development processes. We conclude that the political environment revolves around gaining the power to achieve the stability that helps the development of state-building and the elimination of violence through sovereignty, reinforcing this view that political risks and the development process are part of the definition of the political environment.

The findings of the authors Haiyue, Xiaolan, and Ying on the response of the Chinese foreign direct investment by examining the role of the political environment in determining the investment decisions of Chinese multinational companies and how is the investment response to political risks, That Chinese companies still avoid risks when thinking about investing abroad. The experimental result highlighted a better understanding of the patterns and motives of China's foreign direct investment (FDI), China's concerns about the decision to go abroad are high political risks, especially since the outward FDI destinations of China are emerging economies mainly exposed to high risks, High political risk reduces the value of FDI inflows. Political instability in host countries will increase the risks and cost of doing business and thus adversely affect productivity, yet poor political institutions appear to be attracting more FDI flows, But it has been found that Chinese foreign investment can be driven by China's political and ideological heritage and directed to ideologically similar countries, even though it has higher records of political risks. Many state-owned TNCs are often involved in infrastructure projects and resource extraction industries in some developing economies, (2018, pp3470-3471). Therefore, political risks are part and parcel of the consequences of political activity in a country, in other words, the result of the nature of the political environment, but the cultural factor may play an important role in reducing those risks, as noted by the authors in China's experience.

How development is also part of the consequences of political activity, Security has become an increasingly important resource and a prerequisite for the existence, development, and sustainability of contemporary societies. Whether the issue is the security of the individual, the state, a group of states or the international community, the main concern is the protection of values. At the beginning of the 21st century, security is the goal and value, as well as the requisite condition that allows the maintenance of

the above-mentioned individual, the state, the group of states, and the international community, (TATALOVIĆ, 2008, pp116). Thus, security is what reduces political risks. In other words, development is a substitute for political risks, one of which is replaced instead of the other according to the political activity governed by the security element.

To determine what constitutes the political environment, we analyze in their essay, the authors Clionadh, and Caitriona state a framework for understanding the ways in which non-national governance arrangements produce different types of political violence. Differences in governance factors, and how the system shapes its regional presence and subnational relations, build the forms of violent conflict that arise within and among states. All these falls under four types of political environments based on the depth of the system, power, and subnational elites, they find that interstate violence varies depending on the dynamics of the distinct power that arise from relations between the central authority and subnational elites. We conclude that the organization of power determines the type and risk of conflict affecting states. State governance aims to stabilize the system, and relations between the elite and the state have decisive effects on state-building in the development of state-society relations as well as economic development and the reduction of violence through state sovereignty. And the rate and risk of political violence, (2018, pp1668-1669). The early concept of “political risk” remains the predominant concept that continues to assume new manifestations to date, including its handling of the broad “outsourcing” of companies against terrorism, violence, kidnapping, harassment, and sabotage, In addition, for example, hurricanes, earthquakes, and floods that impede international trade and investment, these conditions are at the same time the bargaining power of foreign investors in the face of political risks, (Boddewyn, 2016, pp20).

Therefore, the risks when looking at their results according to the above concept are influences on politics and when we know where it is affected, we conclude the elements or components of the political environment where political risks are affected. Actors, as well as they, affect security, from which we conclude that the components of the political environment are international relations, the activities of the Authority and its effects internally, and the stakeholders that emerge through their political behavior as a component of the political environment, we can say that the political structure consists of four components of the internal political situation, international relations united as a single component, stakeholders and expressed political behavior and security that minimizes political risks and increases opportunities for development.

2.3 The impact of international business on the political environment and its components.

How International Business Affects the Political Environment It makes sense if something influences something else that is in contact with it or in other words touches in a way that affects the components of the thing. On their components, and we see that these components are interrelated complement each other and this is what we will address in this section.

If we adopt the definition of the political environment that we have drawn in the previous section of this chapter, we find that the impact on the political environment appears in the form of political risks or development process, if international business has an impact in showing those results we have put the correct theoretical context of the hypothesis developed and answer a question Raised in this research.

So, we will examine the impact of international business on each component of the political environment and then examine the impact of business on the elements of the environment combined.

- International business and its impact on stakeholder behavior.

Political behavior is not an end for a business, but rather a means for people to achieve strategic goals. Political behavior is essential in international business because crossing borders enter companies into other sovereigns. However, we do not mean that companies are only politically motivated, (BODDEWYN, 1994, pp137).

Here, the impact of international business in the element of political behavior, the impact of those acts on the sovereignty of the country results in political risks, but not politically motivated companies were affecting their activities on infrastructure or community culture, which creates behavior that restricts the business of companies Foreigners in a country. Through these political factors, governments are trying to reach the highest level of power to reduce political risks, so governments try to contain business because of its impact on the security component. National and what supports this vision. Governments seek to preserve an industry through their institutions, often for political and economic reasons. Cultural and social factors may fall within the context of the political objectives of governments to intervene in a trade. Some governments attempt to limit the impact of American culture on local markets by restricting US companies entering the territory of the state. But elsewhere, governments also encourage foreign investment for political or economic purposes. This contradiction in government behavior is determined by the nature of government relations with foreign companies and countries where companies are part of their policy. Here, the relationship between stakeholders determines the acceptability of business entering the country. Governments create business constraints when these players are unlike governments and corporations by restricting the business of foreign stakeholders in many ways, such as by imposing local

partners on any new foreign business to limit the impact on the country's domestic policy. As for the political influence of foreign stakeholders, it affects the national and local culture and negatively affects the local partners in order to target the political, economic and administrative independence of the country. Therefore, the state takes the means to abide by to maintain its independence, such as protecting local industries and major resources (oil and minerals). The other part of the political environment is governed by international relations with the government. This is evident when many governments are still trying to manage and control the type and quantity, and even the nationality of FDI to achieve their domestic goals. Economic, political and social, (Carpenter, Dunung, 2011, pp75, 82, 85, 86). That is, the nature of international business intervention influences the creation of the nature of the political behavior of stakeholders. On the part of governments, the behavior of international business is restricted if those behind it affect the political environment by rising political risks or if business activity is supportive of the development process. Imposed on cross-border business owners.

- International business and security component in the political environment.

Security is one of the most basic conditions for the existence of society and at the same time one of the tools for achieving social, economic and political progress. Until the end of the 20th century, the war was the dominant form of threat. However, the modern and contemporary political situation has allowed the emergence of threats other than the military threat, thus changing the concepts of international security and national security strategies in many countries now include broader dimensions of economic, social, political and environmental issues. It is the responsibility of national security to thwart and eliminate unspecified threats. Accordingly, there is an interdependence between national security and energy security, which aims to ensure access to energy sources that achieve social, economic and political progress. Each country must apply energy security in its own national security systems, both for energy suppliers and consumers, in order to create a safer and more stable energy system worldwide. The struggle for control over energy sources outweighs the economic sphere that has been brought into the political and security spheres. Competition for control not only includes countries, but also a variety of organizations, multinational corporations, financial actors and terrorist groups, all of which exacerbate the world's power and supply system and protect vital energy infrastructure, (TATALOVIĆ, 2009, pp119, 125).

The energy supply consists of the discovery, production, transport, storage, refining and conversion of fuel, as well as the generation, storage, transport and use of energy. All these processes require physical assets, management, information gathering, use, and control. All of these are prone to failure or deterioration as a result of mismanagement, natural disasters, deterioration, terrorism, security violations, damaged materials, and many other factors. Security measures to reduce the likelihood of failure or deterioration in energy, (Frankel, 2007, pp17). The explanation of the functional role of security and its

link to energy security explains the reason for the impact of business on that element. The rationale for explaining the overlap of security with economic issues is best explained by the link between energy security and national security. As energy resource requirements grow, countries make efforts to ensure stable and adequate supply chains. This supply is often through multinational corporations or organizations as one of the actors in which international business is part of their transboundary business.

- International business and its impact on domestic policy and international relations.

If we look at the political factors affecting international business, government and politics play a major role in international business. These political factors and government activities that may facilitate or hinder commercial activities are to reduce political risks and the political environment may affect the work of the organization in several ways. Companies should be prepared to deal with policy outcomes, (Albugar, 2017, pp481). This means that international business affects the domestic policy in the country to create an element of the political environment, which is the political behavior of a local and international stakeholder.

Energy policy is of strategic importance to economic developments and should be a major focus of foreign policy. Organizations such as the International Energy Agency (IEA) have tried but largely failed to guide energy decisions. But they have had little impact on relations between producers and consumers, such as OPEC dialogues and oil-importing countries, (Frankel, 2007, pp23). The same applies to the control of potential environmental damage at the fuel production site, supply chain, and use, as well as the final management of waste disposal. Although there are many regulations and conventions in place, their application is often difficult because there are many jurisdictions involved in energy production, supply, and use chains, (Frankel, 2007, pp18). These attempts by the IEA support our vision of the impact of trade in creating the nature of political behavior that shapes the nature of relations between producer and consumer, in addition to the multiplicity of jurisdictions makes states and companies try to create good relations with the countries that represent the road of transport and other oil-producing countries to reduce the influence Oil companies or vice versa.

- International business and its impact on the elements of the political environment combined.

Political behavior usually refers to the acquisition, development, security, and use of power in relation to other entities, where power is seen as the ability of actors to overcome the resistance of other actors, it focuses on relevant actors, governments, interest groups, intellectuals, public opinion and A variety of actions such as compliance, evasion, negotiation, cooperation, coalition building and joint participation, (Astley, Sachdeva, 1984, pp104). So political behavior shows stakeholders to target other stakeholders as it tends to three directions, one to the community, the second to foreign companies and the third to build

relationships with the international community. The nature of the targeted interest outlines the behavior of the nature of political behavior towards other stakeholders, and the form of political behavior determines the nature of relations and often the nature of the interest is the stability of power for the government and achieve economic and political benefit. We note that the political behavior in this interpretation is a link between the two elements of the political environment and the second element of security, which ensures the maintenance of development process and reduce political risks and the element of political activity, which includes relations and internal politics, whenever the international business conductor positive behavior to maintain Security The political behavior of governments has been positive so the behavior of stakeholders is proportionately proportional.

Chapter 3: History of the Iraqi Oil Trade.

3.1 Introduction.

First, we must clarify the political situation of Iraq in that period. Iraq was under the control of the Ottoman Empire and then it became under the control of the British forces and then the first Iraqi government was established in 1921 and the exit of Iraq from the British colonial control to become under the British Mandate and Britain helped Iraq to obtain On his independence during the period of the monarchy until the fall of the monarchy by a military coup or the so-called revolution of July 1958 led by the movement Abdul Karim Qassim to turn Iraq from the monarchy to the Republican system and then followed by a military coup against the government of Qassim and announced the formation of a new government led by Abdul Rahman Arif in 1962 and then overthrew the rule of Arif by the Arab Baath Socialist Party, which took power in 1968 until the end of the Ba'ath rule in 2003 the occupation of Iraq by the United States and a new political system was formed by the US occupation forces.

As for the oil sector and the oil trade, the oil sector in Iraq at the beginning of the last century and with the discovery of the first wells of oil there is a significant impact not only on Iraq, but on many countries stakeholders, whether that interest is the need of that country's energy provided by oil or to implement its vision In terms of energy security and the subsequent extension of the influence of oil companies in Iraq.

The first oil company was formed during Ottoman rule, the Turkish Petroleum Company, to explore and produce oil within the Ottoman Empire. The Turkish Petroleum Company, initially composed of the Anglo-Persian Oil Company, Deutsche Bank and Royal Dutch Shell, secured a pledge from Sublime Porte in June 1914 but was forced to cancel its operations after World War I. (Anand, 2017, pp60)

“Under the self-denying ordinance, these companies and Gulbenkian (who was an individual, not a company) agreed not to explore or drill within the vast area circumscribed by the eponymous red line, except through TPC. This line followed the 1914 borders of the Ottoman Empire and so included the Arabian Peninsula and Persian Gulf (excluding Kuwait and Persia), as well as Mosul and the rest of Iraq. TPC (renamed Iraq Petroleum in 1929) held an exclusive concession to the country until 1961, after the Hashemite monarchy had been deposed in an army coup led by Abd al-Karim Qasim. As the Suez Crisis of 1956 demonstrated, the US had replaced Britain as the Middle East hegemon, even inheriting its rivalry with Russia. Between its establishment in 1912 and the 1928 Red Line Agreement, the constituent elements of TPC had been repeatedly rearranged”, (Conlin, 2018, pp48).

The control of foreign companies on Iraqi oil through the Iraqi National Oil Company until 1958, the fall of the monarchy in Iraq and the establishment of the first republic of Iraq began attempts to get out of the control of foreign companies was done in 1973 through the nationalization of oil by the Baath

government, which came to power in Iraq after the coup in 1968. This was followed by changes in the Iraqi oil trade after it began its war with neighboring Iran. After the end of that war, a new stage began in Iraq's invasion of Kuwait. Iraq then faced harsh sanctions. Through the oil-for-food program, which was sponsored by the United Nations.

This is a simple introduction to the political history of Iraq and that the purpose of this chapter is not the historical narrative of oil in Iraq, but to highlight the important events that formed the political history of the Iraqi oil trade to be an article through which in the fifth chapter effects of this trade on the political environment and what is that the influence. So we will divide this chapter into three phases of the Iraqi oil sector over the last century, the stage of discovery and establishment, the stage of nationalization, and the last stage about the wars that Iraq fought its repercussions of the economic blockade, oil was the main motive for this siege ended by the US invasion of Iraq in 2003.

3.2 The stage of the emergence of the Iraqi oil trade, 1900-1958.

The Great Powers began with the beginning of the last century trying to extend their influence to the Middle East, including Germany, Britain, and France, then sent the oil prospectors were the first German mission to Iraq in 1912 was the first oil field in 1923 and was produced from this field only for domestic consumption The discovery of the second fields in the city of Mosul, formerly Kirkuk. This led the oil companies, which were acting the policy of their government to seek control of Iraq's newly discovered oil. These companies are Anglo Fares, a British company and Deutsche Bank of Germany, as well as TPC, the Turkish oil company that controlled Iraq's oil. It is still under the control of the Ottoman Empire and it gives the privileges of investment to foreign companies, which created conflict is multifaceted and somewhat complex. (Al-Ensaniat, 2003, pp257)¹

In the years between 1900 and the outbreak of the First World War, hordes of British and German concessionaires and competing Americans converged on Istanbul. And the pursuit of each of them to obtain an exclusive concession to exploit the oil fields in Mosul and Baghdad has declined the Minister and other senior ministers to grant a concession to any bank or company, fearing revenge from others - or rather, any authority considered that the claims of their companies have omitted. (Conlin, 2018, pp43)

But Germany was able to get the franchise through companies controlled by Deutsche Bank, in return for loans to the Ottoman Empire to buy armaments from the German giant Krupp Industries, banks issued huge amounts of debt and sold arms companies guns and shipyards sold. (Conlin, 2018, pp41)

¹ -Free translation.

“It would be foolish to present the oil companies as pawns of the Great Powers. In 1903 Deutsche Bank had been cajoled by Kaiser Wilhelm’s *Drang Nach Osten* (‘push to the east’) into investing in the Berlin-Bosphorus-Baghdad railway project. Soon, however, Mosul oil was promising to make what had been a white elephant into cash” (Conlin, 2018, pp48).

Here the oil competition created the political behavior of the great powers such as Britain and France in the direction of Germany on the road to expand its influence through Mosul through railways. Through the pressure on the Ottoman Empire to escalate the arms race, which will exhaust the Ottoman Empire economically by opening arms to the Greeks. Where the conflict between the Ottoman Empire and the Greeks was at its strongest. The impetus given to oil was that value by 1910. It was clear that another oil product - gasoline - had overtaken steam and electricity to become the driving force behind the car. Two years later, the Royal Navy decided to turn its fleet of coal into oil engines. Thus, the need for oil supplies of oil became urgent during the Great War. Although the term was not yet there, "energy security" was born. Its control of oil-bearing land, pipelines, refineries and oil companies it constructed was essential for national and imperial defense. By the middle of the twentieth century, oil and its derivatives became much more than just its manufacture. Oil was a way of life (Conlin, 2018, pp38). “The British and German ambassadors visited Abdülhamid’s Grand Vizier, Said Halim Pasha, at the Sublime Porte in Istanbul on 23 March 1914. Sir Louis Mallet and Hans Freiherr von Wangenheim requested that the oil concession for the two vilayets of Mosul and Baghdad be granted to TPC. Thanks to an agreement hammered out in London just four days before, 25 percent of TPC was now owned by Deutsche Bank. Another 25 percent belonged to the Anglo-Dutch oil company Royal Dutch-Shell. The remaining half belonged to Anglo-Persian. By persuading the three rivals to join forces, TPC’s founder Calouste Gulbenkian broke the logjam that had prevented any single company or nation from securing the concession” (Conlin, 2018, pp40), So the oil of Mosul has been divided.

The Grand Vizier believed that this agreement between the Germans and the British would strengthen their status to US oil companies in the Arabian Peninsula. As for the reason why the Ottoman state accepted to give concessions to foreign companies is the lack of oil transmission lines of the Ottomans who relied on tribal sheikhs in the transfer process, which led to allowing foreign companies to access Iraqi oil. In addition, Abdulhamid Mosul oil himself, abandoning the most promising oil fields in the regions for decades, where there was nowhere close enough to get drilling equipment and laying pipelines. Years of armed struggle to defend its territory in the Balkans and North Africa from Western powers and superpowers left the Ottoman Empire heavily indebted. Which encouraged the great powers to intervene in the oil of Iraq and was one of the portals to impose influence there was the division of the Turkish oil company between the British and German and Dutch Shell, which gave assurances of their loyalty to the interest of Britain in exchange for giving it this privilege, said Winston Churchill, the First

Lord of the Emirate of the Navy in the House of Commons that the company Royal Dutch-Shell has shown its willingness to help Britain for a price, (Conlin, 2018, pp40-44).

After that phase came to the First World War, which ended with the imposition of a new policy for the victorious allies. On Sunday, 1 December 1918, Prime Minister Lloyd George met with his French counterpart George Clemenceau at the French Embassy in London. Germany and the Ottoman Empire were defeated, leaving the victors to reconstitute Anatolia and the Middle East. Under an agreement reached in 1916 between British diplomat Mark Sykes and his French counterpart Francois Georges Picot, France was supposed to secure a postwar reserve on the Syrian territory, which stretches eastward to Iran to include Mosul. In their meeting, the "Welsh wizard" somehow convinced Clemenceau to abandon the French claims to Mosul, allowing them to be integrated into the British area of Mesopotamia in exchange for what was supposed to be the exchange of the connector to obtain British support for the proposed Rhineland Republic as a French-German buffer state. Britain's demand for France to abandon the claim was based on its vision of the importance of energy security. This idea, which boosted the impact of oil trade on British political behavior, even though the oil was not yet discovered in Mosul, geologists and specialists believe oil exists in Mosul. Britain recognizes the importance of securing oil supplies before the outbreak of the Great War. His thinking lies behind the British government's decision to do part of the Anglo-Persian nationalization in 1914 and to acquire 51 percent of it. In late 1918, similar pressure by the Secretary of the War Cabinet, Maurice Hanke, by anonymous people with oil production knowledge, led to Mosul becoming a target of British war. Hence, the race that defies the truce north of Mosul on November 1918. France was slow to recognize the importance of energy security at the outset of the war. The First World War removed Germany from the warring parties in the region of Iraq and achieved a new victory between Britain and France and the British control of Mosul in exchange for strengthening the influence of France in the Middle East after the influence and presence of weak there is what France to stand with Britain in giving the weak Ottoman state Arms loans, which created good relations between Britain and France in an attempt to invest these relations against American pressure. It seems that France has learned the lesson and started its policy based on its interest in securing oil. We seek this when the French ambassador to the British Foreign Secretary, Arthur Balfour, said in January 1919: "The war has highlighted the serious disturbance of the French position with respect to oil. Contracts with large oil-producing and trading companies. " A share in oil production has become a prerequisite for the development of bone energy. It is noticeable here that the global war gave oil and energy security greater weight, thus increasing the influence of the control of the oil trade on political behavior, which shows the mutual influence between the oil trade and the political environment.

Energy security has become a matter of national importance, but how can the superpower achieve that security in the case of oil? Through 'physical control' - by seizing and holding oil-bearing areas such as Mosul through the force of arms? Through the nationalization or control or support of some oil companies in another way to make its policy in line with the policy of the state? Or by contrast, through the imperialist alliance and economic spheres of influence, allowing a diverse group of multinational companies to develop oil fields around the world and promote a free and prosperous market in times of peace as well as war? Even Sykes admitted that the talk of 'spheres of influence' was out of date in 1918. In President Wilson's time, "material control" was best exercised by proxy, through protectorates, states or client states, (Conlin, 2018, pp44-48).

With the beginning of the 1920s, America followed the principle of open-door policy regarding oil. Many studies have realized that there is an agreement between Britain and America to open a loophole for US companies competing for Middle Eastern oil to enter British companies, (Toprani, 2017, pp57).

In fact, the British government supported the US presence in the Middle East in the wake of World War I to avoid the risk of British expansion in the wake of the 1920 uprising in Mesopotamia, which led to major reversals in British colonial strategy in 1921. While British officials preferred to hold Iraq and oil for themselves, hoping to appease the United States with the mandate of East Africa or German Armenia, the idea of creating an Anglo-American "trust" oil to deal fairly and discussed in Britain reasonably between them and the producing countries and countries Consumption. Hoover received hints from a good colleague in the spring of 1921 that British and French officials, businessmen and financiers wanted the US government to send a "commissioner" to Europe to negotiate the oil dispute. That summer John Cadman, the former British oil company of the British government during the war, now director of the Anglo-Persian, admitted through an intermediary that Britain had no choice but to discuss the oil issue at the Maritime Conference, "because oil is the most important strategic commodity and an important cause of friction The top officials of the Ministry of Petroleum urged ministers to formulate an official British response at least if the Americans raised the issue at the conference, (Toprani, 2017, pp71). The 1921 agreement was the brainchild of Arthur Milsoppo, who was distinguished as the first official economic adviser to the State Department. Coincided with the US-British dispute over the oil wealth of Mosul, Baghdad, and Basra, after the League of Nations came under British control in 1920. Like Britons and Americans, the French formed a special government administration to oversee oil supplies, formulate policies and coordinate various civil, military and naval administrations, (Toprani, 2017, pp59). As for Turkey after its defeat in the war began to draw its borders under the pressure of Great Britain victorious in the war, it had come THE CONFERENCE Lord Curzon (left) head of the British delegation, and Ismet Pasha, first prime minister of Turkey, illustration 1923, One of the questions on the table was the location

of the border between eastern Turkey and the British mandate of Iraq, Is Mosul and its oil the property of Turkey or Iraq? But oil executives have sought to influence diplomats, saying that Mosul is part of Iraq because of mountains in northern Iraq, a natural border for Iraq, despite Turkey's attempts to send troops deep into British-controlled Iraq. But Mosul seems to have forced both sides to sit on the table. Lausanne, and so the Iraqi oil has affected relations between Turkey and Britain, (Conlin, 2018, pp44).

Respect for the principle of "the open door, under which the former Ottoman Empire must be an equal playing field for investment by all nations, without preferential treatment and restrictions associated with" areas of national interest "to develop an open door policy in Turkey would be a real contribution to peace in the world, It would break the evil link between the commercial expansion of major powers and the diplomacy of political intrigues within smaller nations. . This was the first step in American diplomacy towards the Middle East, an area where Americans had virtually no stake until 1923. The Lausanne negotiations were held parallel to the TPC reorganization negotiations, this time to recognize the French and Americans. In the end, the Americans and the French used relations with the new Turkish regime as well as talking about the "open door" to secure their share of Mosul oil. They did this not by "material control" but by persuading the State Department to pressure Anglo-Farsi and Royal Dutch Shell to allow US and French oil companies to enter TPC, (Conlin, 2018, pp46).

But the exploitation of oil proved more difficult than the occupation of the fields. The British had to resolve the issue of the company that would conduct operations in Iraq and how to transport oil to the Mediterranean coast, which required a truce with the French. The British decided to revive the TPC in 1920, now isolated from its German partners who were replaced by a French company "Compagnie Française des Pétroles" in 1924, in which the British and the French negotiated the spoils of the Middle East - namely, the question of who would receive the mandate of the League of Nations, who finally settled at the 1920 San Remo Conference in Italy that Syria and Lebanon be under French mandate, Palestine and Jordan under the British Mandate, To Iraq, (Toprani, 2017, pp62). It was clear that an area must be found within TPC for the Americans and the French. It took another five years to reach an arrangement, which was still under negotiation, when Papa Gurgor sank oil in 1927 and by this point the League of Nations ruled on the issue of the border in Mosul after Lausanne And decided that Mosul belonged to Iraq on July 31, 1928, the so-called red line agreement that the participants from the United States, Britain, France, and the Netherlands agree to the division of the company will keep each of the four key partners by 23.75%, with the remaining percentage Fantastic Picture Maker Anglo-Armenian deals, which founded the company and led a lot of the process behind the scenes: Calust Gulbenkian, (Conlin, 2018, pp48).

Has stimulated Britain to support the emerging national identity in Iraq after the emergence of oil has been the role of the British pressure on the League of Nations and the Member States to give Iraq independence, (Conlin, 2018, pp40). Although neither the League of Nations nor its permanent state commission, which oversaw the administration of the state-controlled areas, welcomed the British plan. Iraq's declaration of independence, as one of the officials of the Colonial Office secretly admitted in late 1931, was "completely unconvinced that Iraq was not fit to emerge from the mandate." Britain obtained the university's faltering approval for Iraq's independence, and until then that approval Subject to a series of commitments by Iraq negotiated in Geneva, (PEDERSEN, 2010, pp975-976). The logical explanation for supporting national identity in Iraq at the time was to block Turkey by annexing Mosul and blocking US intervention. The political gains for Iraq to agree to its interests with Britain. Thus, we find that oil played a role in drawing the image of Iraq and get the beginning of independence. Oil pushed the kingdom, which is not absent from the sun, to liberate its parts and crystallize the concept of the state not only in the oil countries but in the countries through which the transfer of oil in other words that international business was drawn through the concept of secure energy "commercial security" Because their interests are beginning to require the spread of peace and a shift away from the use of force. Before that, we observe the shift in British behavior that the vision of energy security led to, and the vision of this vision was translated into reality through the oil trade since the British occupied Mosul. They arrived three days after the entry into force of the truce between the British and the Turks. It is clear the British wanted to establish "facts on the ground" before the start of peace negotiations.

On October 3, 1932, the Thirteenth Annual Council of the League of Nations voted unanimously to accept the membership of the Kingdom of Iraq. Part of the Ottoman territories occupied by Allied forces during the First World War and then handed over to the British administration under the League of Nations, Iraq was the first - and will remain, in fact, the only province authorized to give up its descriptive status and independence is granted through collective agreement, (PEDERSEN, 2010, pp975).

As the writer Susan Indicates, there are many excellent studies of Britain's role in mandatory Iraq and in the unofficial imperial era that followed. These actions put the reasons why the British government, financially and militarily strained, had been determined to withdraw formally; they also made clear the extent of this withdrawal. Faisal and his allies gained independence only by giving Britain broad military and economic rights. But what has received less attention is the important role that international relations play within and the importance of international politics for this process. Because Iraq was a territory subject to the mandate, its "liberation" must be internationally agreed - a fact that occurred during three years of sometimes bitter debate over when Iraq's independence could be declared, (2010, pp976). Some argued that Britain wanted to liberate Iraq, but what was before it was not independence anyway. They

referred to the provisions of the continued British military presence and to the concession granted to the British-controlled Iraq Oil Company and accused Britain of seeking to remove what was already a client state even from the minimum level of control exercised by the university. And that Iraq needs to have clear oversight for another group of critics. Citing their troubled borders and horrific minorities, were afraid that the main victims of independence would be some segments of the Iraqi people themselves. Through diplomacy and pressure, British officials overcame these reservations, forcing the approval of Iraq's independence through the arduous process of the League of Nations. But by doing so, have they reinforced the emerging rule on the right to national self-determination or obtained international approval for some form of independence - that is, political scientists can call the term "quasi-state" - the safety of the empire? What one might call the Faustian Deal for Decolonization is significant in Iraq - a deal whereby national elites (often unrepresented) are given big internal authority (including the right to enrich their followers and suppress their perceived enemies) through cooperation with, A measure of economic and military control over, the former colonial power, (PEDERSEN, 2010, pp977).

British policy toward Iraq continued in the same way until the late 1930s, and with the early 1940s, there have been many changes in British and American policy in Iraq after American power began to exert greater influence in Iraq during the Second World War. The United States emerged as an important factor in politics and history in Iraq, where some authors view the United States as a passive observer of events There during the war. Washington initially followed the British command, but starting in 1942, the United States became more assertive in its relations with Iraq. US diplomats, State Department officials, postwar planners and intelligence officers who promote the Atlantic Charter while simultaneously securing Iraq's oil Linking it to a network of Western alliances. Iraq's strategic location and its rich oil resources have made an important part, along with Saudi Arabia and Iran, of the US effort to secure the post-war oil-rich Gulf region militarily and economically. There was a duality in the US approach to Iraq in the 1940s. There were basically two different goals, if they were intertwined, American targets. On the one hand, US officials wanted to gradually separate Iraq from British influence, just as US officials were aiming to do in Saudi Arabia, Iran, and Egypt. This means promoting an anti-British reform ideology that includes qualified support for Arab nationalist goals and a major commitment, largely driven by Iraq's oil reserves and concerns over Iraq as a vital strategic point in the future geopolitical conflict with the Soviet Union. US officials at the time, such as Louis Henderson, the second US secretary of state in Iraq (1943-1945), saw no contradiction between the first objective - the strengthening of the Atlantic Charter and the new deal - and the second - to secure Iraq's oil for the West and link Iraq to the pro-American alliance . This ambivalence between the United States' goals in Iraq in the 1940s is still evident in the conflicting American motives and actions in the Middle East, where the imperialist goals of oil extraction and regime, (O'Sullivan, Damluji, 2009, pp238-239). In the aftermath of the First and Second World Wars, US

officials sought to reshape the world order based on long-term ideological goals that transcended the specific geopolitical context. But this did not blind them to the fact that their ambitions did not change substantially in the competition for raw materials, which led to the birth of an Anglo-American partnership that transcends narrow trade differences, (Toprani, 2017, pp79). This partnership has forced the United States not to intervene in Iraq, which it sees as an important arena for its expanded global objectives. The United States has expanded its role in Iraq mainly because of oil and geostrategic goals, but it also aims to indirectly help Iraqi nationalists in their efforts to reduce British power. The British were the main obstacle to US goals of obtaining more favorable oil concessions, but Washington also wanted to prove to the Iraqis that the United States had supported their national aspirations and rejected the heavy style of the new British colonialism. However, one cannot escape the conclusion that the US eventually learned little from the failed British experience in Iraq, nor from the problematic US experiences there. Like the British before them, the Americans followed their national interests in Iraq, but like the British, they always failed to understand Iraq's basic sensitivities about imperialism, nationalism and external interference in their affairs, (O'Sullivan, Damluji, 2009, pp253). Aims to create a special relationship with the "double pillars" of oil policy after the war: Iran and Saudi Arabia. But Roosevelt's administration also aspires to Iraqi oil resources. Iraqi Foreign Ministry discussions on its potential as an oil supplier after the war have been confirmed. Wallace Murray told planners that Iraq has "substantial oil resources ... covering some of the world's richest oil fields." Sumner Wells told them Iraq was blessed with "rich resources" that were "far more abundant than those in other countries" in the Near East. Even Secretary of State Cordill Hall stressed the importance of Iraq because of the "rich oil fields" and the growing US foreign policy on oil in the Near East. Before the war, the main US interest in Iraq was the 24 percent stake held by a consortium of US oil companies at the Iraqi Petroleum Company IPC. But the problems have developed because of US accusations of British interference in the US quota of the IPC, and the State Department issued a series of protests to the British government about the nature and structure of the IPC, which the Americans suspect was deliberately subdued against their interests. State Department officials wanted to secure "economic rights for America in Iraq." US officials have expressed dissatisfaction with the terms of the oil agreement imposed by the British. The British have been vehemently opposed to conceding anything to the United States in the Middle East, especially oil concessions, and have thwarted any US efforts to gain a larger share of Iraqi oil. Tensions between Britain and the United States intensified in 1943 when the British accused the British of using the Rashid Ali crisis in 1941 and its consequences as a pretext to undermine US oil interests in Iraq, (O'Sullivan, Damluji, 2009, pp252). In 1944, the United States and the United Kingdom signed the Anglo-American Oil Agreement, guaranteeing equal access to the world's oil reserves in the world and reducing dollar-denominated oil imports. At the same time, independent US oil operators fear the United States will sink.

Market with cheap foreign oil. This would eliminate local firms, with the rising cost of production, and damage to US energy security over the long term by leaving the country more dependent on external imports. The renegotiation of the deal failed the following year, which eased the role of the petroleum commission in calming local critics. At the same time, the delay in ratification has eroded the current political and industrial support. High demand after the war also avoided the need for an international regulatory body to prevent overproduction and price instability. The success of American companies in expanding production in the Middle East after 1947 is partly due to the American diplomatic cover through the Truman Doctrine of the Marshall Plan for the Reconstruction of Europe versus Privileges in the Middle East, (Toprani, 2017, pp56).

The State Department sought to increase the US quota and start exploiting unexplored fields and raised Nuri access to a larger US share of Iraqi oil. the Prime Minister of Iraq Nuri followed a shrewd strategy to lure Americans into the Iraqi oil sector, maximizing his influence by inciting the British Foreign Office against the US State Department in a contest for desirable Iraqi oil concessions. Thus, while Nuri felt he had lost respect for British officials in Iraq, he was gaining influence with the Americans, as Iraqi oil proved to be a tempting incentive to improve US relations with Nuri. US officials had big plans for Iraq and its oil, expressing the desire to use Iraqi oil to "contribute in every way appropriate to the economic development" of the country, (O'Sullivan, Damluji, 2009, pp253).

The 1944 agreement (preliminary article, third point) was supposed to serve the interests of both producing and consuming countries. Article 1 went even further, and the signatories pledged to ensure that oil revenues should promote "sound economic progress" for the producing countries. To understand US officials in the early 1940s that consuming countries cannot afford to antagonize producers, given that a major imbalance in oil production abroad during World War II or the Cold War would be a disaster for US national security. He warned of the recurrence of crises such as the nationalization of Mexico's oil industry in 1938. Unlike the British in Iran between 1949 and 1954, the US government argued that a compromise approach is the best way to maintain the security of private oil concessions in the long term. The cornerstone of US policy will be the so-called "50" principle, whereby concessionaires divide their profits equally with the host government, (Toprani, 2017, pp76).

The anti-American policy of the Soviets touched upon the concept of economic security, which is considered the energy security of the United States, a part of it, which is inseparable from the national security of the United States because both were partly aimed at frustrating any authority to impose control over Eurasia. At least until 1950, they hope their economic tools will be enough for European reconstruction and containment of the Soviets without the need for large conventional military expenditures, (Toprani, 2017, pp78). The United States, therefore, believed that the Petroleum Reserve

Corporation (PRC) would facilitate further exploitation of Iraq's oil fields, build new pipelines and expand refining capacity. US officials have suggested that Iraq should be diverted through development projects to facilitate further oil production. Through the arrangement of US officials that Nuri comes to Washington and meets with President Roosevelt and discusses the role of Iraq in the new world order in the Middle East. Iraqi oil was at the top of the agenda. Nuri continued his strategy to improve his standing with the Americans. When he visited Washington in the spring of 1945, he met with US officials and conveyed the message that Iraq, and most importantly, Iraq's oil, was ready to play its role in the new world order. Although Roosevelt died shortly before his scheduled meeting with Nuri, the Iraqi leader told every senior US official that he welcomed the United States as a rising power in the Middle East and that he wanted the Americans to "do everything" In order to achieve an increase in the extraction of oil in Iraq. "It was the beginning of a beautiful friendship between Nuri and the Americans, a friendship that lasted until the assassination of Nuri in the 1958 national coup, (O'Sullivan, Damluji, 2009, pp253).

3.3-The stage of the nationalization of Iraqi oil (1958-1979).

After the coup led by Kassem in Iraq, the first steps of his young government were to raise the slogan of the nationalization of oil on the development of the sovereignty of raw materials during Iraq. This movement did not start with official independence. But after the revolution of 1958, after Britain was controlling the Iraqi oil scene after the revolution, National beliefs led the relations between the company and the government. The government of Abdul Karim Qasim interpreted IPC's overwhelming presence As an effect of imperialism. IPC offered conditions like those accepted by the Iran consortium after the Shah's re-election but rejected demands to increase production, increase Iraq's share of profits or abandon much of its concession. At the same time, in February 1959, major oil companies cut the declared price of crude oil, cutting revenues of oil-producing countries by 15%. Iran, Kuwait, Saudi Arabia, Qatar, Iraq, and Venezuela formed OPEC in September, (DIETRICH, 2011, P455).

Iraq's decisions to nationalize the oil industry in the 1960s played a pivotal role in shaping OPEC's strategies and raising oil prices around the world. Because of the large volume of its resources, (JAFFE, 2006, pp21). Until 1960, the international oil companies were dominant in the oil market, especially in the Middle East, and they were making a lot of profits from it because of the weakness of the governments created by the great powers at the beginning of the last century. This weakness seems clear until the 1940s. Between the United States and Britain, but that changed after OPEC was established that year. , The governments of the OPEC countries - and non-OPEC producers - who are benefiting from the fact that OPEC keeps prices high - that have generated exceptional rents of oil, (Luciani, 2015, Pp82). Iraq was one of the first oil-producing countries to nationalize some of its fields in 1961, (JAFFE, 2006, pp2).

At that time, Arabism was the dominant discourse on regional relations in the Middle East. Arabism itself is not directly linked to oil - although it is a reaction to the Balkanization of the Arab region, which in turn is also due to oil - soon became entangled with it, (Luciani, 2015, Pp97).

Negotiations between the government of Kassem and IPC began, but these negotiations were quickly stalled in 1960 and production was suspended. Abdul Karim Qassem raised the customs fees that the Iraqi government took from vessels passing through the Arabian Gulf and all areas that use the port of Basra. The antagonism disrupted any possible agreement between the then Iraqi government and IPC. In 1961, the Iraqi government passed Law "No. 80", which confiscated all areas not subject to production, but the main dispute over the confiscation of fields that had previously given a concession to IPC, but not the production of the most important field Rumaila promising in southern Iraq. Although the company argued that their acquired vested rights legally invalidated the new law, Western buyers did not boycott Iraqi oil, as it had before with Iranian oil, because Qasim did not nationalize any actual production, (DIETRICH, 2011, Pp456).

The tone of national aggression has continued unabated since 1962, (DIETRICH,2011, Pp468). The result of that aggression in 1964 was established the Iraqi National Oil Company (INOC) to develop the concession in the areas seized from the International Oil Company IPC, which controlled the oil sector in Iraq was in the stage of the first nationalization and awarded the Iraqi National Oil Company The exclusive right under the law rather than foreign companies, then Iraq realized that it needed to strengthen the technical capabilities of the Iraqi National Oil Company and seek assistance from countries that did not participate in the history of the colonial country, (JAFFE, 2006, pp7). The speeches culminated in a half-decade relationship in which Cold War concerns and the supremacy of Iraqi raw materials became more exciting. Although the 1964 legislation established the National Oil Company, INOC was only a glimpse of successive national governments until the end of the decade, when Soviet financial support and technical knowledge provided the key factors in the development of INOC as a viable institution. In July 1967, after Soviet President Nikolai Podgorni became the first high-level leader to visit Iraq, the director of the Iraqi National Oil Company said that "our goal must be full control of our oil wealth." On December 24, 1967, the two governments signed a protocol establishing an agenda for economic cooperation that emphasized Soviet assistance in drilling wells in Rumaila and transporting oil. After the agreement, the director of the Iraqi National Oil Company once again used the raw material sovereignty speech to emphasize that Soviet-Iraqi cooperation "will weaken foreign oil monopolies and strengthen both our country and our peoples." The US Embassy in Beirut, in "the strongest attack. In several years," call the company "bloodsucker," which sought "to prevent us from developing the country's national resources, (DIETRICH, 2011, Pp467).

In 1968, the Baathist-led coup, which enabled them to come to power, The ideology of the Iraqi Baath Socialist Party focused directly on its revolutionary achievements in wrestling with international capitalist companies and the process of nationalization became part of Iraq's psyche for its pioneering position in the Arab world. The nationalization of the assets was expressed in the context of the Baathist socialist ideology and Arab unity. It was stated that the purpose was to use oil to develop Arab society and achieve other political and ideological goals regarding the struggle against Israel and the West. Nationalization strengthened the political legitimacy of the Baath regime, which began with a fragile grip on popular support. It also created an export-oriented ideology that allows the Baghdad regime to reach the Arab masses outside its borders and press other Arab regimes to follow its revolutionary path of turning Arab oil into use and returning directly to Arab peoples rather than international oil companies, (Jaffe, 2006, pp8).

It is interesting to note how poor oil-rich countries and oil-rich countries sometimes adopted the same ideological discourse, but with completely opposite intentions. Hence, the Arab unity in Egypt and Baathism in Syria were meant to demand a share of the oil revenues of the neighboring countries, while the same Arab unit was used in Libya or the Baathist in Iraq to export the national discourse that is adopted. Oil in Iraq supported the Arab national discourse of Iraq Aims to create an integrated Arab state, (Luciani, 2015, pp 98).

Iraq signed two major agreements with the Soviet Union in 1969. The agreements obliged the Soviet Union to provide technical assistance for the development of Iraq's national oil industry and to help Iraq establish the northern Rumaila field, which began production with the help of the Soviets by 1972, (JAFFE, 2006, pp7).

In early February 1970, the Baath government put increasing pressure on companies by announcing the repeal of Article 3 of Law 80 of 1961, which allowed the government to double the scope of business. More importantly, according to Saadoun Hammadi, head of oil affairs at the Revolutionary Command Council, the cancellation prohibits any growth in IPC's influence. The policy of non-concession represented a tightening of the Iraqi line, a position that was quickly tough. On February 23, 1970, the Revolutionary Command Council (RCC) announced Law No. 20 of the Revolutionary Command Council of the Baath government, (DIETRICH, 2011, pp459-460).

Direct support for the Soviet Union far outweighed Western and Arab countries, making energy policy a Cold War issue. However, the superiority of East and West support for the development of the Iraqi National Oil Company (INCO) reached the limits of the Cold War. In January 1968, Saudi Arabia, Kuwait, and Libya established the Organization of Petroleum Exporting Countries (OAPEC) to give oil-

rich countries a comprehensive Arab umbrella to resist pressure from Arab states, which raised the national emblem more easily in. There is a misconception, as scientists assume that Arab producers established the organization to coordinate their better use of oil weapons in the ongoing battle. With Israel. By the early 1970s, the prevailing view of Arab dissonance was overcome by international circumstances. Iraq applied to join the organization after December 1970. In December 1971, Saudi Arabia sought a compromise by adjusting membership qualifications that allow Arab oil producers to join regardless of whether oil is their main source of income, opening the way for Egypt to accept Syria, as well as Iraq, on May 1972 that Saudi Arabia could not hold an indefinite passage against Iraq, decided to dilute Iraq's influence in the organization by opening the gates to as many Arab countries as possible. On the material support of fellow inflatable producers, Finance ministers of the Organization of Arab Petroleum Exporting Countries (OAPEC) agreed to lend Iraq 54 million pounds to compensate for the lack of production resulting from nationalization and OAPEC supported nationalization as a "sovereign act in force under international law." Iraqi President Ahmed Hassan al-Bakr said the agreement "guarantees our sovereignty over our natural resources and gives companies the compensation they deserve." Despite Saudi Arabia's reluctance to accept Iraq as a member of the Organization of the Petroleum Exporting Countries (OAPEC), OAPEC aid, as well as OPEC, Soviet support and some Western countries with regard to nationalized oil for Iraq, where the Rumaila oil field was seized with Soviet aid in April 1972, the simultaneous aid from oil producers helped establish the dominance of raw materials as a major component of the international system, but in terms of Western aid, France has become a major importer of Iraqi oil, reflecting a broader Iraqi policy. At the same time, it was the initial Soviet deals, and then Iraq embarked on economic relations with many Westerners. The idea of raw material sovereignty bothered the poles of the Cold War conflict when it began to be influenced diplomatically by its influence on the Cold War doctrine of energy security and industrial peripheral economic alignment. The success of the nationalization of Iraqi oil from IPC in 1972 was the result of the reflexive interaction of moral and material support from OPEC, OPEC, the Soviet bloc and the consuming Western countries - standing as an intersection between the economic justification of the debilitating Cold War based on the undisputed control of Western resources. Sovereignty over raw materials questioned the previous arrangements, (DIETRICH, 2011, pp470-473). In 1972, the Soviet Union supported the nationalization of Iraq and gave its full support and signed a treaty of mutual military commitments that it would protect the Iraqi government from any possible interference by a foreign power on behalf of the interests of the International Oil Company. Iraq established the Iraqi Oil Company for Petroleum Operations to take over IPC facilities Remaining in Kirkuk. All remaining foreign interests were nationalized by 1975, (Jaffe, 2006, pp7). But the Americans did not take a stand, as the Kurdish insurgency gained strength and threatened the Kirkuk oil facilities, and even successfully halted large

quantities of production in 1969. In 1972, the Nixon administration allowed a covert CIA operation that armed and funded the Kurdish insurgency in northern Iraq, (DIETRICH, 2011, pp456-466). At the outbreak of the war between Israel and its Arab neighbors in October 1973, the Organization of Arab Petroleum Exporting Countries (OAPEC) announced a ban on the United States and the Netherlands. Oil prices rose rapidly, leading to the first "energy crisis". The blockade was fictional: oil production in the Middle East increased steadily and rapidly until 1974. It declined the following year due to the recession and reduced demand for oil caused by price increases. In fact, oil is not used as a weapon. However, commentators still refer to OAPEC's decision as a dangerous precedent and evidence of the unreliability of Gulf oil supplies, (Luciani, 2015, pp 90). The conflict between the Kurds and the government military forces erupted again in 1974, as a US reaction to the 1973 oil cut-off to the West by Iraq, (Dinç, 2012, pp158).

Iraq established a new Ministry of Oil in 1976. The Ministry was assigned to perform the planning and direct construction of the infrastructure of the oil sector, and new operating companies were established under the Iraqi National Oil Company (INOC). In 1980, the Energy Sector Management Structure of the Ministry of Oil and the State Oil Production and Distribution Authority were amended to include four new government oil institutions, (Jaffe, 2006, pp8). In 1980, the first Gulf War, or as the Iraqis call it the glorious Qadisiyah of Saddam, began to have repercussions on the Iraqi oil trade.

3.4- The period of the Gulf Wars until the American invasion (1980-2003).

In 1979, Saddam Hussein came to power and remained president until 2003, after which he was overthrown by the United States after its invasion of Iraq, so we will allocate this period as a single phase.

With the beginning of the eighties of the last century and coinciding with the assumption of the late Iraqi President Saddam Hussein to lead the pyramid of power in Iraq, the Iran-Iraq war or as Iraqis call it the glorious Saddamism. Enormous on the eight-year war with Iran, where Iraq suffered economic losses of at least tens of billions. By 1980, Iraq had the second-largest economy in the Arab world, after Saudi Arabia, and developed a planned economy that was heavily reliant on oil exports, and then suffered during the 1980 Iran-Iraq war. Oil production reached a level of 3.5 million barrels per day, and oil revenues amounted to \$ 21 billion in 1979 and \$ 27 billion in 1980. This war depleted foreign exchange reserves and destroyed its foreign debt economy by more than \$ 40 billion. In 1988, oil exports began to increase gradually, with new pipelines being built. But after Iraq's invasion of Kuwait, the embargo began in 1990. Oil production and economic development declined after the war began, and the economy continued to face serious problems, including huge foreign debt. The country faced high inflation.

Continued political violence; shortage of spare parts that have hampered the oil sector; outdated production methods; outdated technology; populations who have moved away from agriculture; high unemployment; serious deterioration of infrastructure. The United Nations formed the oil-for-food program shutdown in April 1995. Outgoing countries allowed the import of \$ 1 billion worth of oil from Iraq every 90 days (Dinc, 2012, pp155-156,159).

On August 1, 1990, when Iraq invaded Kuwait, the United States later invaded Iraq. Air Force sources said the Allies dropped about 1,200 tons of explosives in 518 sorties against 28 oil targets. They said the intent was to "completely stop refining" without hurting most crude oil production, and the targets included "major storage tanks; gas/oil separators through which crude oil passes through refineries. Distilled towers and catalytic crackers in the heart of modern refineries; Critical K2 pipeline near Baiji linking northern oil fields to export pipeline to Turkey and reverse north-south pipeline inside Iraq, (Gendzier, 2003, pp24). In 1990, just before Operation Desert Storm, the United States imported 25.58 million metric tons per year of crude oil from Iraq against its total imports of 277.64 million tons per year. During and after the Desert Storm, the United States did not import any crude oil from Iraq from 1991 to 1995. During the US invasion of Iraq in 2003, the United States imported 23.94 million metric tons per year in 2003 and its imports from Iraq peaked 32.66 in 2004 after the US occupation of Iraq, (Chatterjee, 2014, pp47). To be sure, US administrations have rarely publicly justified their policies in the Middle East in terms of ensuring privileged access to the region's oil resources or protecting the interests of US oil companies, (Gendzier, 2003, pp18).

During the economic blockade imposed since 1990, the total production amounted to 200 million barrels per year. War reparations in Geneva, Iraq remains the only international that says no to America and hides a large percentage of crude oil, Washington has made the decision to war in Iraq to replace the Iraqi government with a government that says yes to America, The oil conflict between Washington and Baghdad has witnessed a serious oil-for-food threat. This means that the oil revenues do not go to Iraq, but to a special fund under the supervision of the United Nations, Iraq initially refused, but approved the program in 1995 after the effects of the blockade intensified and the Security Council passed resolution 986 allowing Iraq to sell limited quantities of oil to buy food and medicine, This agreement between the United Nations and Iraq became known as the Memorandum of Understanding, (Al-Ensaniat, 2003, pp259-263)². There is a crisis that Baghdad made against Washington in the 1990s by transferring a large percentage of oil and industrial contracts to European countries such as France, the Soviet Union and the People's Republic of China and linking the awarding of contract privileges to the political positions of the

² Free translation

countries concerned. The decision of the war launched by the United States of America against Iraq, as many Western countries estimate that the US control of Iraq also means control of consumer and investment markets in Iraq and the Gulf region, despite the rise of voices opposed to the war in Iraq is all based on the principle of profit and loss, except for the arms companies that supported the war to revive their exports. The opposition to the war also came from within the United States, where US oil companies feared that the war would be prolonged in global markets, (Al-Ensaniat, 2003, pp267)³.

The objectives underlying the justifications for the Iraq war as a pre-emptive strike are primarily to disarm Saddam Hussein of weapons of mass destruction. If one unified dimension of this war was unified public opinion across the Middle East, the real motive behind Hussein's removal was control of Iraq's oil, control of the abundant Middle East oil abundance was one of the main objectives of the New American Century Project, whose members are the real mastermind behind the Iraq war. Much has been written about the imperialist goals of this group, which was founded in 1997 to promote American interests in the new century since its inception. The message sent by some of its key members in January 1998 to President Clinton makes it clear that they believe that control of Iraqi oil should not lie in the hands of Hussein, but in the hands of the United States. The 9/11 attacks were a geopolitical gift in time to uphold their aggressive project, (Jhaveri, 2004, pp2-3). Following the initial phase of 2003 after the invasion of Iraq, the oil-for-food program was terminated, sanctions lifted, and the United States appointed civilian officials, (Dinc, 2012, pp160).

³ Free translation.

Chapter 4: History of the Saudi Oil Trade.

4.1-Introduction.

The founding of the modern state in the Najd and Hejaz region of the Arabian Peninsula and what is known today as Saudi Arabia has shaped the features of that rule and the form and state of the state. The circumstances of World War I to expand British influence in the Middle East, (Hasoosa, 2017, pp12)⁴. The British government supported Abdul Aziz Al Saud to undermine the influence of the Ottoman Empire in the Najd region and then to topple the Hashemite state in the Hijaz in 1924. Oil began exploration in the 1920s and with it began competition between American and British companies and the first oil fields were discovered in 1932 Then Aramco was established with the partnership of US companies and Abdul Aziz Al Saud gave oil concessions to it. US-Saudi relations were built in the 1940s to make Saudi oil an important part of US foreign policy, and Aramco contributed to the process of building Saudi infrastructure. In the 1950s Abdul Aziz died and his son Saud took power and the US-Saudi alliance continued because of oil, (Hasoosa, 2017, pp15-25)⁵. In the 1960s Petromin was founded as the first Saudi national oil company, and in 1964 Crown Prince Faisal became king of Saudi Arabia and then in the 1990s entered into a partnership with Aramco due to political conditions in the Middle East, in the mid-seventies King Faisal was killed and his brother Khaled became king of Saudi Arabia, who Accelerate development processes. In the 1980s, the Saudi government took control of Aramco afterward because of the economic situation. The conflict within OPEC, which was reflected in a state of tension in the region, thus the Saudi regime until the end of the last century was dependent on oil, (Hertog, 2013, pp1-2).

4.2- Establishment of the Kingdom of Saudi Arabia and its Oil Sector (1900-1953).

Although Saudi Arabia was founded only in 1932, the ruling family has a long history of political and military activity in the Arabian Peninsula. From their base in the central province of Najd, the Al Saud periodically sought to establish their hegemony over the peninsula during the 18th and 19th centuries. In 1902, the family, led by Abdul-Aziz bin Abdulrahman Al Saud, seized control of Riyadh from its main rivals, al-Rashid. Between 1902 and 1932, King Abdul-Aziz, assisted by the British after 1916, defeated all supposed rivals, eventually conquering and merging the provinces of Al-Ahsa in the East in 1913, Asir in the South in 1922, and the Hijaz in the West in 1925, (ICG, 2004, pp3).

⁴ free translation.

⁵ free translation.

At the time, Britain was able to consolidate its pillars of influence in the Persian Gulf during the nineteenth century, and continued its policies in the twentieth century, during the first and second decades of the twentieth century to establish centers and postal lines in different parts of the Persian Gulf and was able to monopolize the basic privileges of the privileges of extraction Pearls and then oil, which is the most important of that wealth As for the Americans have had commercial interests, education, missionary, and oil, so they sought in different ways to have a colonial presence in the region, which led to some collision and competition between the two camps Britani and the American in some fields. Britain tried to make an intervention in the Arab countries and obtain oil resources from it officially by obtaining from the Ottoman Empire oil concessions after the end of the First World War and the defeat of the Ottoman Empire Britain and France shared the Arab territories under the Sykes-Picot Agreement in 1916 and amended by the Convention San Remo 1920 oil as the two countries accordingly obtained a share of Iraqi oil has angered the US government because it excluded its citizens from the privileges in the region, which led to a conflict. The discovery of Saudi oil was the first point of competition between the American and British oil companies when the oil exploded in Bahrain, which prompted the aspirations of Western countries in the wealth of Arab countries, especially in the Gulf, began to send their government envoys to the Gulf princes to negotiate for oil, Saudi Arabia held its first agreement in 1923 and Is what is known as the Holmes Agreement, (Hasoosa, 2017, pp12-13)⁶.

In this sense, the beginning of the history of oil in Saudi Arabia, when King Abdul Aziz Al Saud began to think about the need to develop the income of the Kingdom to contribute to the rise of the young state, and the Kingdom granted the concession to explore for oil to the Eastern General Syndicate in 1923, before unification The concession ended in 1928, when the union did not conduct any excavation, King Abdul Aziz's urgent need for money to meet the Kingdom's needs of growing financial expenditures, which was no longer sufficient to cover the limit due to the global economic crisis at the time, as well as Britain disavowed the fulfillment of its promises to the Saudi government, where he was receiving a subsidy of £ 60,000 from the government In return for his commitment to the boundaries established by him, but not to touch the areas under British control to strengthen Britain's influence in the region, The British policy led King Abdul Aziz to turn his attention to the American companies that his adviser John Felipe brought closer to dealing with foreign concessions. King Abdul Aziz only gave all the privileges that the Americans want in return for American support. The first of California's franchises began until the discovery of oil at the end of 1932. This arrangement was made by John Felipe, whose plans among companies seemed to be in the interest of the Saudi state, corporate interests and personal interest and not the satisfaction of the king who gave him his trust. The conflict between the British and the United States,

⁶ free translation.

which did not get oil, although the US oil was behind the victory achieved, (Hasoosa, 2017, pp15-16)⁷. Drilling began and soon hit oil in Bahrain in 1932. This enhanced the possibility of finding more oil in Saudi Arabia, SOCAL company has entered a competition with British oil companies for negotiations with Saudi King bin Saud, for concessions in Saudi Arabia. After a few years of successful exploration, Ibn Saud, driven by both financial debt and fear of British imperialism, granted the Saudi South Oil Company a 440,000-square-mile oil concession from the Saudi king to CASOC in 1938, (Bronson, 2006, pp16-19). Aramco was founded in 1938 after US explorers from Standard Oil in California struck oil. Aramco was privately owned by US oil companies such as Standard Oil of California and Texas Co, it later became owned by Standard Oil of New Jersey and Sonosy-vacuum and was originally a joint operation between ExxonMobil and Chevron until the 1970s. In 1980, it became wholly owned by the Government of Saudi Arabia, (IGF, 2018, PP2). Diplomatic relations were established based on military, political, and commercial understandings between Saudi Arabia and the United States. These relations developed during and after World War II. Before 1942, the United States had no diplomatic representatives based in the kingdom. From the early 1930s to 1945, US-Saudi relations were largely shaped by the granting of an oil exploration concession in 1933 to the California Arabian Oil Company. The war deepened bilateral relations. The United States gradually replaced the UK as the main foreign political and economic backer of the Saudi government during this period, (Blanchard, 2008, Pp3-4). The US federal government incorporated Saudi oil into its foreign policy between 1941 and 1947. Where the desire of President Franklin d. Roosevelt mobilized private US oil companies to support US involvement in World War II, and thus the war created Roosevelt's approach to the federal government's role in the oil industry, leading to a stronger diplomatic relationship between the United States and Saudi Arabia. Concerns over the depletion of oil in the Western Hemisphere and the need for natural resources to support the US military during World War II prompted Roosevelt to integrate Saudi Arabia into the lending law in 1943, confirming how World War II marked a new phase in US-Saudi relations as oil joined To urgent strategic incentives, linking economic concerns to security interests between the two countries, (Klare, 2005, pp35).

Here we show some of the nature of US-Saudi relations before the end of World War II, many observers of US-Saudi relations identified a meeting on February 14, 1945, between President Franklin Delano Roosevelt and King Abdul Aziz aboard the United States. Quincy as a springboard for a stronger US-Saudi political relationship that developed after that. The establishment of a US military airport in Dhahran and the provision of military planning and training assistance from the mid-1940s onwards formed the basis of bilateral military cooperation during the early postwar period. Aramco's operations,

⁷ free translation.

oil exports, US contributions to the establishment of the Saudi financial system and the involvement of US contractors in the development of the Kingdom's infrastructure were the main pillars of bilateral economic and trade relations during this period, (Blanchard, 2008, pp4). Concurrently with the end of World War II, Britain and America concluded the Bretton Agreement, under which there was a joint US-British domination of Middle East oil, (Hasoosa, 2017, pp15)⁸. Saudi Arabia and the United States have pursued some common national security goals from the 1950s onwards, despite repeated differences of opinion on regional issues, most notably the Arab-Israeli conflict. The mutual reactions between the Saudi and US governments to the Arab-Israeli conflicts of 1948, 1967 and 1973 created conditions that severely tested bilateral relations. Nevertheless, the Truman, Eisenhower, Kennedy, Johnson, and Nixon administrations viewed Saudi monarchy as an ally about other nationalist and socialist governments in the region and as a bulwark against the spread of communism in the Gulf and beyond, (Blanchard, 2008, pp4).

In 1947, Aramco began an anti-malaria program in Saudi Arabia. Development historians focus on state-led schemes, ignoring company policy. The story of Aramco's efforts to combat malaria suggests that the company's goals greatly influenced US-Saudi relations in the immediate post-World War II period. Regardless of the research of companies that interpret malaria as a symptom of underdevelopment, the company continued to take the most common control measures of the time, mosquito attacks. In contrast, Saudi Arabia and the World Health Organization linked the disease to economic stagnation and control in development in the early 1950s. Aramco's work in this regard is important. Combating development and diplomacy, the malaria program understood its needs and those of Saudi Arabia. Aramco served as the principal US diplomatic, political and cultural agent in Saudi Arabia in the mid-20th century. Projects provided, travel, housing, food. Many of the duties of the Embassy were fulfilled. Malaria control was one of the Company's broader development programs in Saudi Arabia, although public health may appear to be outside the oil company's focus, it was a key element in Saudi Aramco's extensive association with Saudi Arabia. Aramco, a transnational corporation, provided an excellent source for exploring the development, public health, and diplomatic ideas. These development-related actions are important for state-led modernization as a policy tool. For Aramco, malaria control was a labor policy tool related to labor expansion and corporate goodwill. Public health and development have become a strategy pursued by Aramco in its policies towards the Kingdom, (Parker, 2012, pp473-474). The US State Department has begun lobbying for an airport in Saudi Arabia because of its position on supply routes to Japan. While the transport and weapons systems of the great armies of World War II depend on the oil that Saudi Arabia can provide, the importance of the kingdom has grown among the US leadership because of its

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geographical location as well as oil, (Bronson, 2006, pp24). The Saudi oil charted the American foreign policy towards the Kingdom and its domestic political situation. It also drew the Kingdom's policy towards the United States and the oil revenues boosted the Saudi domestic situation. Truman argued that Congress should support Ibn Saud and meet his financial demands in 1950 to pay tribal leaders to continue their loyalty to Ibn Saud because of the expansion of the Soviets in the region. They called for an adjustment in revenue distribution that they said was necessary to maintain good US-Saudi relations. In 1950 the Truman administration enacted the 50/50 agreement, which imposed that half of Aramco's revenues went to the Saudi government and the other half went directly to Aramco. With the support of the State Department, and Congress largely opposed it, the administration hoped that the 50/50 agreement would facilitate some of the key tensions between the two countries, especially on the Palestinian issue, (Bronson, 2006, pp55-56).

In the book *Oil and the American Century*, David S. argues that oil was the main driver of the US-Saudi security relationship during the Cold War, illustrating how access to foreign oil became intricately linked to US national security, emphasizing the role oil played in supporting US military transportation and weapons systems. The United States was leading the world in oil production, (2012, pp24-39).

In the 1950s, oil had an impact on the domestic situation in Saudi Arabia. Through its revenues, the national budget of the kingdom, which had no experience in national politics, grew, as it had no national constitution and no formal mechanisms for political participation. ARMCO researchers describe how tribes were silenced through royal subsidies, which were crushed in the 1920s and 1930s by the invasion of Saudi Arabia by Abdul-Aziz al-Saud. Aramco workers in the Eastern Province this layer produced by the oil industry in the Kingdom, (Hertog, 2007, pp542-543). As for Washington and American private companies as one of the actors, the influence of Saudi oil on the US domestic and foreign policy was to maintain a public-private partnership in which the government's primary role in the partnership was to maintain security and stability in the major oil-producing areas, so oil was and still is the engine of US foreign policy in the Middle East is influential on the domestic political situation, (Klare, 2005, pp35).

4.3- Post-Establishment and Nationalization Initiatives (1953-1979).

In 1953, King Ibn Saud died. In 1957, Eisenhower took over the administration of the White House. Facing the authority of Nasser, who was popular throughout the Middle East at the time, the region's leaders were asked to take huge political risks. But US Secretary of State Foster Dallas sees the new Saudi king as a figure parallel to Nasser to lead the Arab world, whose nationalist discourse was the dominant ideology, (Bronson, 2006, 73-74). The president's policy was not only to prevent the expansion of Soviet influence but to protect the vast oil reserves of the Arabian Peninsula and secure cheap oil flows

to the West, and to contain the Arab-Israeli conflict. Eisenhower had only to accept Arab nationalism and seek cooperation with Nasser, (Gerges, 1995, pp297). Although Ibn Saud helped modernize Saudi Arabia by bringing new technology and foreign trade to the country, many of these developments, including projects to build schools, railways, and hospitals that Aramco was building in his bid - stalled at the succession of King Saud. Unlike the railways built by Aramco, which helped turn Riyadh into a modern city, Ibn Saud developed a small new infrastructure in Saudi Arabia. During the reign of King Saud, the Kingdom continued to increase its oil production, exports, and revenues, (Nehem, 1994, pp931).

The Soviet threat from the mid-1950s, which badly needed foreign currency to finance postwar reconstruction programs, began to export oil in increasing quantities and at a lower price than the Middle East, and the impact on oil-producing countries by reducing their oil revenues, including Saudi Arabia, Abdul Tariq, Director General of Petroleum Affairs in Saudi Arabia, who expressed his country's position at the 1959 Arab Petroleum Conference in Cairo, met Tariq and other government representatives in secret to produce a "gentlemen's agreement" in response. He called for the establishment of national oil companies and to change the division of the current profits equally from 40 percent to the queen and 60 percent to Aramco, here Saudi Arabia is increasing its desire to get the maximum amount of wealth from its underground resources. Spending on modernization and development projects accelerated in Saudi Arabia, where Crown Prince Faisal succeeded his brother, King Saud, in 1964. In 1960, this era saw a genuine interest in the well-being of Saudi employees and the country in general by Aramco. Including improved medical facilities, employee homeownership program and local business assistance. Aramco's objectives were to maintain the franchise and maximize returns to shareholders over the duration of the franchise; to maximize Saudi participation in the economic support of the project; to improve the impact of the project on Saudi society. Representatives of Saudi Arabia, Venezuela, Kuwait, Iraq, and Iran met in Baghdad, representing more than 80 percent of world crude oil exports. Within a week, they formed the Organization of Petroleum Exporting Countries known as OPEC and are more representative of the Arab Petroleum Conference, which could offer a united front in dealing with foreign oil companies. OPEC's presence abruptly halted the trend towards lowering the declared price of international oil companies by creating at least the possibility of joint and coordinated action by governments of oil-producing countries against oil companies, (Aramco, 2011, pp3-5). What Tariq called for in the agreement of the masters of the establishment of a national oil company, Petromin, but King Faisal's tendency to centralize power decisively in his hands and possessed the greatest authority over the state apparatus and his concern not to accelerate economic development in the Kingdom, which also led to the disruption Petromin expanded, and in March 1962 Yamani became Minister of Petroleum and Mineral Affairs as Caliph's successor, (Hertog, 2008, pp648). Under the charter, Petromin will be responsible for all exploration, refining and distribution of all petroleum and mineral resources in the kingdom that was not in the field of the oil

concession company then controlled by Aramco. He sees Petromin as a national oil company, dissolving Aramco's magazine where at that time the ambition of the NOC was emerging throughout the developing world, but Petromin was not created out of Arab nationalism, because at that time Faisal was suppressing Arab nationalists in the government. However, Petromin appeared to resemble its progressive socialist oil exporters. Tahir began a wide range of heavy industry projects, realizing that local traders and contractors were not in any way doing manufacturing on any large scale on their own. Petromin started manufacturing projects, petrochemical oil production and power generation, Taher became CEO of Petromin as an enthusiastic speaker for the development potential of national oil companies and their role as a partner of international oil companies, (Hertog, 2008, pp648). In 1967, Saudi Minister Yamani ordered Aramco not to ship oil to the United States or the United Kingdom because of its support for Israel. By June 8, total Arab oil flows from the Middle East had fallen by 60 percent, with no oil moving through the Suez Canal or other pipelines stretching from the Gulf to the Mediterranean. Aramco's oil production was completely shut down from June 7 to 13, and most Saudi Arabian employees stopped working. By the end of the 1960s, the Saudi government pushed for greater control of the oil sector and additional revenues from it to fuel development. But it also recognized the importance of retaining Aramco's expertise and easy access to Western markets. The relationship between Saudi Arabia and Aramco was about to turn significantly, (Aramco, 2011, pp20-24). Petromin's involvement seemed to be close to its ambition that it developed after the regional climate became anti-Western in 1967: a direct stake in the exploration process, namely in Aramco, the key point of Petromin. After the June War, Yamani announced that Petromin was seeking a stake in Aramco, King Faisal was killed by his nephew in March 1975 and was a force that restricts development spending. After that, Saudi Arabia began to move towards a developmental rush under Crown Prince Fahd bin Abdul Aziz, who granted wide powers from his brother, King Khalid, in the same year, the Board of Directors of Petromin approved a \$ 13 billion development program for the period 1975-1980 (Hertog, 2008, pp652).

Relations between the two most prominent oil drama heroes of the 1970s and 1980s - the United States and Saudi Arabia - are based on an ancient tradition of friendship. Saudi Arabia is the only major OPEC country with oil resources fully developed by US companies. As Britain and Iran in the early 1950s reached a dead end in a bitter dispute over the nationalization of the Anglo-Persian Oil Company, (Rustow, 2004, pp459). US exports to Saudi Arabia doubled in value from 1973 to 1976 and the United States became dominant, providing more than a third of Saudi Arabia's total imports. Supported by the large numbers of young Saudis educated in the United States and Europe, most return to key positions in business and government, (Apgar, 1977, 53). The rewards of financial strength are evident in the recent successes of Saudi diplomacy in Arab affairs, (Campbell, 1971, pp99). In 1973 and 1974, the

Saudis took the lead - or at least in some cases willingly - in dramatic price increases that raised government revenues on each barrel of crude from \$ 1.77 in early October 1973 to \$ 3.05 at the time of the 1973 war. For the Saudis, the result was a rapid accumulation of foreign exchange reserves: from \$ 662 million in 1972 to \$ 24.6 billion in mid-1976 - the last figure was two-thirds in West Germany and about two and a half times that in the states the United States and Japan, (Rustow, 2004, pp503).

Saudi Arabia presented Aramco with a 50-50 profit-sharing principle between governments and companies. Two decades later, as Iraq, Algeria, and Libya began under more favorable circumstances to unilaterally nationalize, Saudi Arabia instead promoted a system of "government participation" gradually. Recently, since mid-1974, Saudi Arabia has repeatedly imposed hawkish restrictions as it kept global oil price increases in line with global inflation, Conversely, the United States was ready to supply large shipments of modern weapons to the Sahara Kingdom. But Saudi Arabia's initiative to use Arab oil weapons against the United States in the fall of 1973 was followed by Secretary Kissinger's hint a year later that the use of force against oil-producing countries could not be ruled out in the future, (RUSTOW, 2004, PP496).

Iraq's transition to a more pragmatic foreign policy in the late 1970s greatly improved relations between Iraq, Saudi Arabia, and smaller Gulf states. Among other things, the demarcation of the former Saudi-Iraqi neutral zone was completed, and an agreement was reached to continue sharing revenue from oil production in the neutral zone equally. Towards the end of the decade, the 1979 Iranian revolution and the specter of Iran's export of the clerical regime in the Gulf region had forever put aside any remaining Saudi concerns about the ambitions of Iraqi domination. Faced with heresy Persians, the prospect of Iran striking its enemy allies has prompted Saudi Arabia to demand what has become a prolonged deployment of aircraft carrying a warning and air surveillance network in Dhahran to help the Saudi Royal Air Force secure the safety of oil facilities and other potential strategic targets, (UNITED STATES INSTITUTE OF PEACE, 2006, PP5)⁹.

4.3- The stage of the Gulf crisis and the conflict within OPEC (1980-2000).

Unlike other NOCs, Aramco was seized from its native American owners in the 1970s in a relatively smooth manner. It has maintained an American corporate culture, although it is 100% owned by the government since 1980 and run by most Saudis. It is now generally ranked as the most efficient national oil company among all the Organization of Petroleum Exporting Countries (OPEC), (Hertog, 2013, pp1).

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In the mid-1980s, the tanker war, sparked by Iraq's attacks on oil tankers serving Iranian ports starting in 1984, prompted the US Navy to play a more positive role gradually in the war, although the United States and Saudi Arabia had a military relationship in a variety of ways. During the 1940s, operational ties were created during the Iran-Iraq War, which became the basis for a joint US-Saudi response to the Iraqi invasion of Kuwait a few years later, (UNITED STATES INSTITUTE OF PEACE, 2006, PP5)¹⁰.

The Saudis see themselves as the voice of moderation in maintaining oil prices, but regional political and economic concerns have prompted the kingdom not to cut prices too much. However, the Saudis have threatened to ignore the OPEC price criterion of US \$ 18 per barrel and production quotas if other countries did not give up quotas in 1987 and have created OPEC production above quotas limits, especially from the Gulf states in the abundance of oil in the world market. In January 1988, the Saudis cheated on OPEC price quotas by selling oil to US oil companies Texas Co, Mobil, Exxon and Chevron at lower prices than the OPEC index. By June, Saudi Arabia's King Fahd called on OPEC members, particularly the Gulf states, to abide by their quotas, but the Saudis continued to sell oil under fixed-term contracts with Exxon Mobil, Chevron, and Texas Co at \$ 13.40 a barrel, well below OPEC's record price of \$ 18 a barrel. The official Saudi logic was that they intend to remain competitive with other producers from the Arabian Gulf. These reports are a clear indication that the Saudis were cooperating with US oil companies to ensure the sale of oil, (Pierce, 2012, pp96). With the end of the Iran-Iraq war in 1988, oil policy and debt relief combined became the main source of friction between Iraq and Saudi Arabia. Baghdad had expected the kingdom and its Gulf Cooperation Council partners to maintain high oil prices so that Iraq could generate the revenue needed to service the war debt to Gulf creditors and others. But Saudi Arabia was committed to a policy of maintaining prices at reasonable rates, a position is considered to help its long-term interests as the owner of the world's largest oil reserves, (UNITED STATES INSTITUTE OF PEACE, 2006, PP5)¹¹. In 1989, due to low oil prices, Saudi Arabia called for compliance with OPEC production quotas as part of an effort to increase revenues to combat budget deficits as well as to finance future expenditures. The Saudis have used their ability to flood the oil market and cut prices to say their bottom will not fall. In 1990, Saudi Arabia denied that it had violated its share of oil production. The reduction of oil export prices as a marketing technique to attract more customers without increasing production has led to a direct confrontation with other OPEC members, especially Iraq. Military for not committing to OPEC production quota. OPEC agreed to raise the price of the barrel The Saudis did not want to agree, but they were subjected to pressure from Iraq. The shift in the Saudi position, which was in 1987 because they were facing an economic crisis in their monetary

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reserves, oil that affected the behavior of Saudi Arabia towards the region and the Western consumer reflected on its relations with the exporting countries, especially Iraq, and this behavior that Saudi Arabia tried to remedy the budget deficit between 1982 to In 1989, in addition to the high cost of the war effort paid by the United States to the United States, Saudi Arabia needed to produce more oil to maintain economic stability. In 1997 Saudi Arabia tried to reduce political risks through oil trade by affecting the price of oil to improve public services, but the decline in the price of oil between 1998 and 1999 charted political behavior to improve the domestic situation while taking into account its relations with the consumer by reducing production. OPEC has agreed to substantial cuts in oil production. The market reacted positively to the move, and soon the price of oil began to rise at a remarkable rate. As the price rises, oil revenues have risen by the year 2000, (Pierce, 2012, pp97-105).

But the future of Saudi Arabia's oil reserves and oil policy is unknown. Edward Price, a former Saudi Aramco official, Chevron executive, and US government adviser, said the Saudis could produce an estimated 12 million barrels per day for a few years. However, the world should not expect more than the Saudis. The US government expects more oil production from the Saudis in the future but is unsure how long and at what rate, (The New York Times, 2004).

Chapter 5: Comparative analysis “Comparison between the Iraqi oil and Saudi oil trade”.

This chapter provides a comparative analysis of the historical context of the oil trade in Iraq and Saudi Arabia based on the theoretical presentation shown in the second chapter of this research and test the compatibility of that theory with the commercial experience of oil of Iraq and Saudi Arabia during the last century, in addition to complete the clarification of the theoretical concept which is the aim of the research in terms derived Of the historical context.

We will conduct a comparative analysis of the effects of the Iraqi and Saudi oil trade on the production of political risks and development processes on the elements of the political environment and the positions of the impact of those actions of political risks and development.

5.1- The impact of the Iraqi and Saudi oil trade on the production of political risks and development processes.

We will test the impact of the Iraqi and Saudi oil trade on the two tools that we have inferred on the elements of the political environment because the results of the impact on the political environment are development and political risks, as shown in chapter two.

-In the case of the Iraqi oil trade, we note during the three phases already mentioned that the Iraqi oil trade significantly affected the production of political risks and development processes. The political risks were the instability of the Ottoman Empire, but the increasing desire of Britain and France to overthrow the Ottoman Empire. The oil trade posed political risks to the instability of Iraq, but oil had a developmental impact in laying the first building block of the infrastructure in Iraq by Germany, which traded that project in exchange for oil concessions from the Ottoman authority at the beginning of the last century. The dangers that oil produced for Iraq after World War II Turkey's desire to annex Mosul to Turkey was not only here the risks to the stability of power, but to the borders of the State of Iraq. But at the same time, the oil sought by the British to ensure its supply to the formation of the Iraqi national identity and supported by the British, which led to reduce risks and increase employment opportunities and the development of the concept of the modern state, Trade security has made the superpowers follow a new policy because their interests are beginning to require peace and to stay away from the use of force, (Conlin, 2018, pp41-42).

As noted in previous chapters of the 1940s, where oil began to produce political risks to British interests, which did not exercise its developmental role through oil companies invested in Iraq, as in Saudi Arabia, as will be shown later, where the United States became simultaneously aimed To secure Iraq's oil and link

it to a network of Western alliances. By promoting an anti-British reformist ideology that included qualified support for Arab nationalist goals, it supports that when the forest of the international business development process produces political risks or produces a vacuum that gives other stakeholders the opportunity to have developed in the elements of the political environment or infrastructure affect their interests. Their competitors who had no developmental role. This means that the risks at the external level, not only at home, are evident in the US-British partnership and reflected in the reduction of risks to British interests in Iraq. However, this did not prevent the Americans from helping the Iraqi nationalists to reduce the British force. The Americans have failed to have a developmental role that minimizes the risks to their interests. They are pursuing their national interests in Iraq, (O'Sullivan, Damluji, 2009, pp238-239).

From the view expressed by Iraqi Prime Minister Nuri al-Said in 1945 that Iraqi oil could play a role in the US strategy made the Americans more adhering to the Iraqi oil development factor rather than a factor to produce political risks, (O'Sullivan, Damluji, 2009, pp253).

In 1947, as we explained before, Middle East oil had a great impact on the formation of the Truman principle of the Marshall Plan for the Reconstruction of Europe in return for those concessions in the Middle East. The possibility of obtaining a larger American share of Iraqi oil, which led to the production of political risks threatening British-American relations, in return for the transfer of Iraqi oil to the American consumer prompted US officials to express the desire to use Iraqi oil "to contribute in every way appropriate to development Economic development of the country, (Toprani, 2017, pp56).

Truman's principle based on Middle East oil has reduced the political risks of the US-Soviet conflict as the oil trade there forced them to contain the Soviets without considering military action but ending the monarchy in Iraq by Qasim prevented it.

-In the second phase, which was at the beginning of the republican rule in Iraq in 1958, as explained in its historical context, we find that the Iraqi oil trade was a weapon in the hands of national beliefs produced a lot of dangers that reflected on the relations between British companies and the Iraqi government, where the nationalization of oil has two sides, The first represented risks to the British interests of ensuring energy security for them and the second by making Iraqi oil exports bring greater development to Iraq and reducing the influence of IPC and the resulting risks to the Iraqi government. The political risks produced by the control of IPC rejected demands to increase production or increase Iraq's share of profits or give up a large part of its concession. But IPC's behavior has prompted a further backlash that reduces the risk of its behavior and that of companies that have cut oil prices until Iran, Kuwait, Saudi Arabia, Qatar, Iraq, and Venezuela form OPEC, (DIETRICH, 2011, pp456). The second aspect of the nationalization of the

Iraqi oil industry has been to formulate OPEC strategies and raise the price of oil worldwide. The oil revenues of OPEC's strategy produced signs of development not in Iraq but in the Middle East. At the national level, the first stage of nationalization was the establishment of the Iraqi National Oil Company to develop the concession in areas where IPC did not start doing so. The development process that Iraq could reap from trade and investment in the oil industry was disrupted, and nationalization boosted the development of the technical capabilities of the Iraqi National Oil Company in cooperation with countries that did not participate in the colonization of Iraq such as the Soviet Union.

The Baath Party, which seized power in 1968, completed the process of nationalization. The Ba'ath even became influential, allowing the Baghdad regime to reach out to the Arab masses outside its borders and pressure other Arab regimes to follow its revolutionary path of converting Arab oil into use and returning directly to Arab peoples instead of the International Oil Company. Markets, produced the way to the nationalization of Iraq's growing pressure on the oil ended IPC prevent any growth of the influence of IPC, the nationalization process of development in the field of security sector and the oil sector was the biggest role of the Soviets imposed, On the other hand, the political behavior of the Ba'ath government in exporting the oil-linked national discourse has resulted in political risks for some Arab oil-producing countries, which led them to establish the Organization of Petroleum Exporting Countries (OAPEC) to give the oil-rich countries a comprehensive Arab umbrella to resist pressure from the Arab countries that hold the national emblem including Iraq. The failure of these countries, where Iraq was able to enter OPEC and made that umbrella led to achieve greater development in the oil sector and reduce the political risks that may be generated by the nationalization decision, OPEC's attitude towards the nationalization of Iraqi oil to reduce political risks because it considered nationalization within the work Sovereignty under international law, (Jaffe, 2006, pp8). What we can conclude is that the political risks generated by an international business can be reflected not only on the countries' stakeholders but also on the other stakeholders, depending on the extent of political behavior in dealing with other parties.

The Iraqi oil trade in the 1970s contributed to Iraq 's gateway to strong relations with France as an oil importer, This has reduced the political risks that the behavior of monopoly companies and their government could produce toward Iraq, but the Soviet rival's first reaction raised the political risks to the stability of the regime in Iraq because of the oil used as a weapon in the Arab-Israeli conflict, through American support for the Kurdish insurgency in 1974. In response to the 1973 oil embargo on the West, (Dinç, 2012, PP.158).

-In the third phase of the historical context of Iraqi oil, we also mentioned in Chapter IV how the Iraq-Iran war produced an economic deficit for Iraq, followed by the dumping of the world oil market by oil-producing countries such as Saudi Arabia and Kuwait.

In 1990, after invading Kuwait, Iraq reaped significant political risks due to nationalization decisions. The Americans found an opportunity to intervene in Iraqi affairs. From this is a complete cessation of refining without prejudice to most crude oil production aimed at this process, which had economic dimensions to paralyze the development process in Iraq, (Gendzier, 2003, pp24).

Here shows the correlation between the performance of the US government, whether political or military and oil companies and shows that raising the political risks that affect the stability of Iraq is paralyzed development processes, giving it space to control Iraq's oil as well as among the risks produced by the oil trade put Iraq under the economic blockade, The production of these political risks was due to the political behavior of the Iraqi government, which rejects the US domination of the region's oil. And linking the granting of concessions contracts with the political positions of countries, this is reflected in reducing the risks represented by waging war on Iraq to win Tide countries to prevent the decision of the war in addition to some US actors, as the decision of the war poses a risk of national security bug The US energy security, which is part of it if the longer the war, but the United States has launched a war that changed the regime ended stability in Iraq, (Al-Ensaniat, 2003, pp267)¹².

-As for the issue of Saudi oil, through the historical context of the Saudi oil trade, we find that this sector also there are oil contributions to the stability of the Saudi interior by reducing the risks and raise development processes and punctuated some political risks, where the beginnings of Saudi oil produced development operations establishment of centers and postal lines in destinations Different from the Gulf in exchange for control of oil concessions and other natural resources of Saudi Arabia, but the faltering development and British support for the Kingdom produced political risks to its interests as an importer of Saudi oil is to push the king of Saudi It was, stopping the development processes produced by the oil trade reflect the risks to the interests of the consumer and create a vacuum that can be controlled by another consumer and this is what we draw from the beginnings of investment in the Saudi oil sector.

This vacuum produced growth in US influence in the Gulf region, accompanied by political risks that were translated into a collision with the interests of British consumers. King Abdul Aziz Al Saud granted exploration concessions, (Hasoosa, 2017, pp15)¹³. But growing US investment in the kingdom has created political risks, helped by a reduction in oil prices by US international oil companies, which threatened to destroy the domestic US oil industry. Saudi American cooperation produced development that reduced political risks by establishing Aramco in 1938. Aramco was active in the Saudi oil industry and the

¹² free translation.

¹³ free translation.

impact of this activity was military, political and commercial understandings between the two countries. This cooperation increased as a result of the oil investment made by Aramco after 1942 until the United States gradually replaced the United as a key supporter of the Saudi government, (Blanchard, 2008, pp3-4). This support has reduced political risks through the development processes led by Aramco led to the establishment of the Saudi financial system and the development of the Kingdom's infrastructure. After 1947 (Aramco) a program to combat malaria in Saudi Arabia, these development efforts in the field of health reduced the political risks by strengthening relations between the United States and Saudi Arabia. During the 1950s, the role of Aramco in the development process in housing, food, and health was expanded. Although this is outside the jurisdiction of the company, the development process has made Aramco more connected with Saudi Arabia, (Parker, 2012, pp473).

As noted earlier, the United States has shown support for Saudi Arabia's financial development in the 1950s by raising its share of oil revenues to reduce the political risk of strained relations between the two countries over the Palestine issue.

-In the second phase of the history of the Saudi oil industry, Eisenhower's doctrine, which was one of the aims of maintaining access to oil resources in the Middle East, this strategy followed by the United States of America to reduce the political risks to the interests of Americans in the Arabian Gulf, we find that oil among the reasons Eisenhower pushed to accept Arab nationalism, (Bronson, 2006, pp73-74).

After the mid-1950s, the behavior of the oil policy of the Soviets to export large quantities and at a lower price impact on the Kingdom's revenues among the group of oil-exporting countries. One thing that may not have been in the US administration's calculations is that the development processes have led Saudi Arabia to the aspirations to control their resources. The development process in the Kingdom has subsequently increased at all levels in Saudi Arabia as mentioned earlier in the Saudi oil trade chapter.

The development has continued to increase with Saudi Arabia's aspirations for greater control of the oil sectors, where a university has been formed to train Saudis in the oil industry. But the interaction of the regional situation has made Saudi Arabia, which could not escape from being part of the Arab cause despite its failure to adopt the Arab national project, which led to the prevention of oil shipments to the United States in 1967 because of the Arab-Israeli conflict. Saudi Arabia's ambition increased in the late 1960s to gain more control over its oil industry, but it recognizes the importance of retaining Aramco's development expertise because of its technical expertise and access to Western markets. However, the regional anti-Western situation has made Aramco accept that Petromin should enter as a partner of Aramco. Here the impact of Saudi oil on Aramco's situation. The results of this impact are risks to the status of Aramco's interests in the Arabian Gulf region, (ARAMCO, 2011, pp20-23). This greater role of

Petromin pushed the development of the Kingdom, especially after the death of King Faisal in the mid-seventies, (Hertog, 2008, pp652). But before that, Saudi Arabia's oil industry, through US-related actors such as the United States, produced political risks not only to the two countries' relations but to the threat that Kissinger hinted in 1974 of using force against producing countries after the kingdom cut off oil supplies to the United States in 1973. All the reconstruction of the kingdom's infrastructure, which took years, is one of the dangers that led Saudi Arabia to try to control its oil industry, (Rustow, 2004, pp496).

As for the late seventies, as we mentioned, there was an improvement in the Iraqi-Saudi relations due to the union of oil interests of both countries pushed to reduce the political risks, including the demarcation of borders between the two countries. The threat of the security of oil trade to Iraq and Saudi Arabia and the entry of Iraq in a confrontation with Iran to make Iraq an Arab fortress does not pose any risks for Saudi Arabia.

As for the third phase of the history of Saudi oil, we find at this stage the process of Saudi development in the oil sector until all assets of Aramco became owned by Saudi Arabia and managed by Saudi cadres, (Hertog, 2013, pp1). By the mid-1980s, the Iraq-Iran war had created political risks for Saudi oil interests after the outbreak of the tanker war between Iraq and Iran. Oil producers within the OPEC umbrella due to price cuts by Saudi Arabia, which sponsors its interests with the United States, but this behavior produced regional political risks prompted the Kingdom not to reduce prices more, leading to political risks in the late nineties of the last century, (UNITED STATES INSTITUTE OF PEACE, 2006, pp5)¹⁴. After the war, Saudi Arabia's oil policy and debt relief combined to become the main source of friction between Iraq and Saudi Arabia, Baghdad, which had expected greater Gulf cooperation. Oil has thus created political risks due to the disruption of development in the Middle East due to conflicting oil policies, (Pierce, 2016, pp98). Saudi Arabia has pursued a policy of cutting prices against other Gulf countries that cheat and produce more than quotas approved by OPEC. The Saudis have traditionally supported low oil prices and agreed to be under the auspices of Western armed forces to protect them from the perceived threat to Iraq. This policy, as we pointed out, led to the invasion of Kuwait by Iraq in 1990. These risks prompted Americans who are seeking justification for their military presence in the Middle East. Of the repercussions of these oil policies inconsistent and political risks repercussions on the Kingdom, especially after the economic sanctions on Iraq, the Kingdom had to meet the needs of the world oil market because of the suspension of export of Iraqi oil until 1995 as we mentioned earlier.

At the end of the last decade of the last century, the price of oil reached its lowest level and since the Saudi economy depends heavily on oil revenues, the impact of this decline not only on development but

¹⁴ free translation.

on the entire Saudi economic situation, this is one of the symptoms of political weakness, this prompted the Kingdom to try to influence To raise oil prices, (Pierce, 2016, pp101).

5.2-Placements of the influence of the Saudi and Iraqi oil trade in the political environment.

-In the case of the Iraqi oil trade, we find in the first historical stage that the Iraqi oil trade has affected the national security of the great countries that saw it as a source to ensure the supply that falls under the energy security of these countries, as well as the security of the Ottoman countries in the first decade of the last century pushed the superpowers to send their companies To take the privileges at first and then draw the interest of those countries in the motives in the behavior taken by the Ottoman international until the fall, including military operations that produced Iraq under the British Mandate, (Toprani, 2017, pp61). Also, the granting of oil concessions to German companies at the beginning of the last century was a good relationship between Germany and the Ottoman Empire. Relations were based on giving loans to the Ottoman Empire to buy weapons in exchange for the oil concession, (Conlin, 2018, pp41). Here the oil rivalry created political behavior from the great powers such as Britain and France towards Germany, which cut the road by extending its influence on Mosul through the railway project. By putting pressure on the Ottoman Empire to escalate the arms race, which will exhaust the Ottoman Empire economically by opening armaments to the Greeks. The conflict between the Ottoman Empire and the Greeks was most intense. Enforcing energy security for those countries controlling oil-bearing lands, pipelines, refineries and oil companies they built is essential for national and imperial defense. World War I showed the importance of energy security. It is also at this point that how energy security is reflected in the political behavior of the great powers, which shaped the external relations of these countries and reflected on the internal political situation, is evident when the Germans at the Royal Dutch Shell and Deutsche Bank agreed to accept the Anglo-Persian in early 1914 This came after the British promised to declare support for the proposed Rhineland Republic as a French-German buffer state, (Conlin, 2018, pp42-43). This overlap between the companies of the nationalities of the superpowers of the time shows the extent of the overlap of international trade with the work of the government and the links between other actors.

The infrastructure, which is part of the national security of the countries and supports this idea is that the Ottoman Empire was forced to give oil concessions to foreign companies because of the lack of oil transport lines of the Ottomans, which affected the internal political situation by allowing foreign companies to access Iraqi oil. On the other hand, Sultan Abdul Hamid did not exploit the oil of Iraq through the behavior followed by Britain and France to support the armed conflict in the Balkans for the works of the Ottoman Empire, thereby preventing it from any development work by making it burdened

with debts. Also, as we have already explained about France, the production of oil in Iraq has affected the policy of France, which in order to ensure that it meets the needs of the people and the national defense that it is not enough to conclude contracts with large oil companies producing and trading as well in the interest imposed by the concept of energy security. The World War gave oil and energy security greater weight, increasing the impact of oil trade on political behavior, creating a mutual impact between oil trade and the political environment.

After the World War, the oil trade had the effect of forming the modern Iraqi state and delineating its borders when the British supported that Mosul belonged to Iraq because of its oil to prevent Turkey from being cut off as part of its territory. Thus, oil has influenced not the formation of an element of the political environment of Iraq. Elements of the political environment of the rest of the stakeholders when governments affected the relations between Turkey and Britain. This effect is evident when the United States moved to establish an open-door policy to guarantee a share in Iraq's oil, which was divided between the United States, Britain, France, and the Netherlands through the 1928 Red Line Agreement, (Toprani, 2017, pp62).

Iraqi oil contributed to the support of the Iraqi national identity by the British who pressed the League of Nations to get Iraq independence This British behavior is only to block the road to Turkey to annex Mosul. In other words, international business, through the concept of energy security, has drawn up a new policy of "trade security" to deal with countries because their interests are beginning to keep spreading peace and avoiding the use of force. But this independence was conditional, Iraq was a semi-state deal to decolonization is tangible in Iraq, as we mentioned earlier, (PEDERSEN, 2010, pp975-976).

In 1942, the idea of American national security pushed the Americans to intervene in Iraq to form new relations with Iraq. US political behavior that began with the promotion of an anti-British ideology that included qualified support for Arab nationalist goals was motivated by Iraqi oil reserves, (O'Sullivan, Damluji, 2009, pp238). As explained in Chapter III, one of the contributions of oil also affects the Iraqi political environment specifically when it affected the behavior of the Iraqi government when Prime Minister Nuri Said raised the possibility of obtaining a larger US share of Iraqi oil, we find that the motives of the Iraqi government in this behavior to achieve its security also During the development of the infrastructure provided by the Americans, the behavior reflected on the internal political situation of Iraq and the relations of the stakeholders of Iraq, America, and Britain. The Soviet policy of anti-American policy was affecting the concept of American national security, which prompted the Americans to formulate their policies, including the Truman project and contain the Soviets to avoid the military expenditures of protecting US energy security.

-In the second phase of Iraq's oil history after the establishment of republican rule in 1958, the historical context we have outlined above supports the notion that international business has an impact on the political environment. Iraq lifted the nationalization of oil to achieve the interests of development and reduce political risks as we mentioned earlier, and the realization of interests is based on the idea of security, which charted Iraqi political behavior in various republican eras and different governments that ruled Iraq at the time. In Qasim's short-lived government, she raised the slogan of nationalization of oil, sovereignty over raw materials, and the notion of security in the ideology of national beliefs that shaped political behavior and led relations between foreign companies and the Iraqi government. The nationalism that the government of Abdul Karim Kassem interpreted IPC's overwhelming presence as a trace of imperialism. The political behavior of companies pushed oil-producing countries to form OPEC, that is, the national interests of those countries pushed them with political behavior to form relations and alliances facing the actors represented by foreign companies. The Iraqi nationalization of oil in the sixties played a role in raising oil prices by OPEC, which affected the interests of consumers about energy, which in turn reflected on the internal political situation of consumers, (Luciani, 2015, pp82). The idea of Arabism, which is based on the national security of the Arab nation, is the dominant discourse on regional relations in the Middle East. The Iraqi government, which was formed after the overthrow of Qasim the leader of Iraq began to complement what Qasim has done, the motives of sovereignty over raw materials and reduce risks and raise development as results stemming from the idea of national security led to political behavior of a developmental nature founded the Iraqi National Oil Company (INOC) in 1964 It granted concessions in areas seized from the International Oil Company IPC under the oil law, which pushed Iraq to increase its technical capabilities produced good relations with the Soviet Union. The political behavior of establishing a national oil company whose goal must be complete control of oil production and export, (JAFPE, 2006, pp7).

In 1968, the Ba'ath dominated power in Iraq, and as we noted earlier, the Baath government relied on oil not only to influence its political environment but to form its elements based on oil. The nationalization process is part of Iraq's psyche for its leading position in the Arab world, the use of oil to develop Arab society and achieve political and ideological goals that allowed the Baghdad regime to reach the Arab masses outside its borders and put pressure on Arab regimes. The one who in turn, established the nature of the foreign policy of the Government of the Baath oil was the machine that the Baath used to create a political environment that achieves their aspirations for a shift from nation-states to a country grouping all the Arab countries. Nationalization strengthened the political legitimacy of the Baath regime, the political behavior of the Ba'ath government, based on the concept of national security, has an impact on foreign companies that have succumbed to the process of nationalization. Which and the internal political situation of the consumer and producer. One of the effects of the Iraqi oil trade from the American

behavior as a consumer this behavior, which in turn reflected the political risk to Iraq Americans support for the Kurdish rebellion in 1969 and 1974 in response to the behavior of Iraq and OAPEC, which imposed a ban on the United States and the Netherlands led to the rapid rise in prices in the markets Oil, resulting in a 'crisis, (DIETRICH, 2011, pp456-466)

-The third phase of the history of the Iraqi oil trade, as noted in Chapter III began with the eighties of the last century when the late President Saddam Hussein assumed power in Iraq coincided with that phase of the Iran-Iraq war, which lasted eight years until 1988 affected the oil industry in Iraq, where he suffered Iraq Economic Losses After the war, Iraq, by relying on the oil industry, tried to reduce the risks created by the war, raise development and build infrastructure. But the flooding of global markets by other producers has affected the role of oil, which has become a political risk to Iraq's internal situation. The behavior of the oil-producing countries, including Kuwait and Saudi Arabia, was manipulating the quotas set by OPEC following the economic security of Iraq, making it behave with pressure towards Kuwait that ended with a military invasion of Kuwait by Iraq in 1990.

By looking at the US military operations that targeted the infrastructure of the oil industry without prejudice to the oil production of Iraq shows the aspirations of the Americans towards the Iraqi oil, this behavior produced risks to Iraq and strained relations between the two countries, which led to the suspension of oil exports to the United States had repercussions on the internal Iraqi situation And safe, (Gendzier, 2003, pp24). Until 1995, the United States could not import oil from Iraq. By rejecting US pressure on Iraq, the United States failed to diversify its energy sources. Despite US intervention on the basis of energy security, the measures it has taken toward Iraq have created political risks for its allies and for securing its oil supply. Proof of this is that the United States tried to pressure Iraq because of economic sanctions, tried through the United Nations' attempts to reach an agreement with Iraq on its oil. On the other hand, Iraq tried with political behavior by transferring a large percentage of oil contracts to European countries. These contracts reflected on Iraqi relations with those countries that supported the rejection of the war on Iraq, and because of the Iraqi boycott of the United States, opposition to the war comes from the American actors. Iraq and its political behavior towards the United States, which Tide gave him from within the US by influencing American national security. Iraq seems to have succeeded to some extent in reducing political risks through the effects of oil on the political environment, but the decision of the war supported by US arms companies, (Chatterjee, 2014, pp53).

As for the issue of Saudi oil, we find in the first stage of Saudi oil and trade, which affected the formation of the modern state in the Kingdom of Saudi Arabia, where the oil concessions were given to Great Britain, which carried out a development process in the territory of Saudi Arabia, which increased the stability of that young regime So the influence of the Saudi oil industry had an impact on the political

environment by reducing the risks that contributed to maintaining security was reflected in the political behavior of Britain and the Al Saud regime in turn reflected on the internal political situation, coinciding with the pursuit of British influence in the Middle East as a promising oil production. This led to competition between them and the British presence. Britain, which strengthened its influence, intervened in the Arab countries and obtained oil resources formally by obtaining from the Ottoman Empire's privileges guaranteeing freedom, after the end of World War II and the defeat and fall of the Ottoman Empire and the sharing of Britain and France. Arab lands under the Sykes-Picot Agreement of 1916 and amended by the San Remo Agreement of 1920 oil angered the Americans, that the British political behavior stimulated by the idea of national security or energy security reflected in its relations with the major countries and oil-producing countries, including Saudi Arabia As the rivalry between US and British companies sponsored by their governments in the Gulf region escalated, the Americans were conducting their attempts to find a foothold in the Middle East by starting to send their government envoys to the Gulf princes to negotiate for oil. Saudi Arabia held its first agreement in 1923, which is known as the Holmes Agreement, (Hasoosa, 2017, pp12-13)¹⁵. The US-Saudi cooperation and partnership were reinforced by the idea of King Abdul-Aziz Al Saud in developing the Kingdom to increase the stability of his young regime. The repercussions of cooperation have had an impact on the US domestic and the American actors in the Saudi oil industry, represented by American international companies, which made local American oil companies suffer in terms of the abundance of oil production, which led to lower prices as a result. Of a balance between its domestic and foreign policies to achieve security objectives with stability. Britain's behavior towards King Abdul Aziz, who found that there were political risks from British policy that led the king to cooperate with American companies, initiated the first concession of Standard Oil of California and started its business until the discovery of oil at the end of 1932. British support for Saudi Arabia towards the Americans, which achieved relations and cooperation between the two parties. One consequence of this was the political behavior that shaped the relations between the two countries and the birth of the Arab American Oil Company (Aramco) in 1938. If these relations were established, followed by military, economic and political cooperation, oil would be the cornerstone of that cooperation, which increased after World War II. Britain in control of Saudi oil. US-Saudi relations based on political behavior were reflected in the openness of each other, a behavior that was driven by both countries to preserve their national security, of which energy security and internal security are part, as the United States wanted to maintain access to energy sources and Saudi Arabia that needed to build infrastructure and Increased system stability. This is evident in the US-Saudi cooperation after 1945, the establishment of a US military airport in Dhahran in addition to bilateral military

¹⁵ free translation.

cooperation. Aramco's operations, oil exports, and US contributions to the establishment of the Saudi financial system and the development of the Kingdom's infrastructure were reflected in these bilateral relations, (Blanchard, 2008, pp4). The idea of American national security and security and stability of the Saudi interior after the oil, their behavior was beyond the differences on regional issues such as the Arab-Israeli conflict, this behavior led to good bilateral relations between the two parties and supports that successive US administrations from the forties until the end of the sixties viewed the Saudi monarchy as an ally against the spread Communism in the Gulf and its surroundings. These distinguished relations produced by political behavior were reflected in the internal political situation, which was represented by the stability of the Saudi political system. This is evident when Aramco launched a malaria program in 1947. This development greatly affected bilateral relations between the two countries. Aramco played a role in consolidating relations in the 1950s as a US actor and accomplished many of the duties of the US Embassy. Even though health is outside the context of the company's work, but it has influenced to play a greater and influential role in Saudi policy thanks to the development processes carried out by the company. The behavior of the US State Department was critical to maintaining energy supplies by maintaining privileged relations with Saudi Arabia. This was in favor of the State Department's bias towards the Saudi government when Aramco paid more money to its government than the Saudi government gave to the Saudis. An adjustment in revenue distribution that they said is necessary to maintain good US-Saudi relations. Therefore, the Truman administration complex has an agreement that guarantees Saudi Arabia half of Aramco's revenues with the support of the State Department. Thus, oil was the main driver of relations between the two countries and what supports this vision, as we pointed out earlier to the book "Oil and the American Century," whose author David argues that oil was the main driver of the security relationship between the United States and Saudi Arabia during the Cold War, And How Painter illustrate access to foreign oil has become intricately linked to US national security. Accordingly, oil trade became closely linked to the US political environment, (2012, pp24-39).

In the second phase of the history of Saudi oil, which began with the fifties of the last century, when the new King Saud bin Abdul Aziz succeeding his father as we pointed out earlier. The impact of Saudi oil has achieved many US national security strategies as the United States and its companies are one of the actors associated with the Saudi oil issue, which aims to expand Soviet and protect oil reserves in Saudi Arabia, which made Eisenhower accept Arab nationalism, which rejects foreign intervention in the country Arab This seems to be an Arab national security strategy.

Through the policy of King Saud after the power was confined to the king during the reign of his father Abdul Aziz became the ruling family, where all the revenues of the state was in the hands of the ruling family, which created economic differences despite the development processes followed in the

construction of the country's infrastructure. As we mentioned earlier, the Soviet influence in the mid-1950s prompted Saudi Arabia to ask for a 60 percent increase in oil imports from 50 percent of Aramco's revenues, as well as demands for a national oil company. Here we find that these claims raised the pace of development and reduced the political risks produced by the actors with Saudi oil between 1960-1964, and the acceptance of the Americans shows that the United States was intended to exceed the oil revenues in Saudi Arabia. In the period when Faisal assumed power, King Faisal's tendency to decisively centralize power in his hands and possess the greatest power over the state apparatus and his keenness not to accelerate economic development in the Kingdom, the Saudi oil industry has not only affected the elements of the Saudi political environment in those Phase but in changing the type of political environment from oligopoly to monopoly, (Hertog, 2006, 648). Nevertheless, the development process imposed by oil continued as an impact on the domestic situation in Saudi Arabia. A university was established to train the Saudis in the oil industry, in addition to the development of the infrastructure carried out by Aramco and the US government, such as the establishment of a television station. Their political behavior was in harmony.

The Arab nationalism, which some see as the use of oil as a weapon, we find that it shows the impact of international oil trade on the political environment, it stems from the Arab national security and illustrates what we referred to earlier in the issue of the doctrine of the Baath Party in Iraq as a national party rejects foreign interference in the Arab region may be This rejection stemmed from an understanding of the impact of the oil trade on the political environment. It was not an absolute rejection as Iraqi oil exports were reaching France and other consumers. Here is what we have pointed out because Tariq, a former Saudi oil minister with a national orientation, made Saudi behavior towards the nationalization of oil, but not in the revolutionary formulas adopted by the Baath Party in Iraq. Tariq saw Petromin, which obtained some oil concessions as a national oil company as an alternative to Aramco. The impact of oil on the political environment as described in this paper. As the oil trade affects the environment, politics reacted to US support for Israel. Saudi Minister Yamani Aramco ordered not to ship oil to the United States, followed by violence from the Saudi people towards Aramco, (Aramco, 2011, pp23).

US national security, which was associated with oil, produced political behavior that shaped the relationship between Saudi Arabia and the United States. Iraqi that we explained earlier. The reason behind the Saudi relations with the US companies is different from the Iraqi relations with the British companies. The Americans did not challenge the national sovereignty of Saudi Arabia. We previously said that interfering in the sovereign acts means political risks that affect the security element in the political environment. The US position on the sovereignty of Saudi Arabia but was supportive and this is

evidenced by the position of the State Department, which we referred to earlier in addition to supporting the security component of development processes.

The regional situation, influenced by national discourse, forced Saudi Arabia to conduct behavior-based on Arab national security, which enters oil in its faith, which strained Saudi-US relations after it cut off oil supplies to the United States in the fall of 1973, the United States, which was ready to supply Saudi Arabia with This was followed by Kissinger's hint of force against oil-producing countries, which changed US behavior toward Saudi Arabia, (Campbell, 2004, pp89-90).

At this stage, we also find an improvement in the Iraqi-Saudi relations in the late seventies due to the shift in the behavior of the two countries. On 1979 issues of sovereignty reduce the risks to their stability, such as the demarcation of borders and the sharing of oil production revenues, until 1979, oil strengthened relations between the two countries after the export of the Iranian revolution to the Gulf threatens the security of the region and the security of the oil industry there Saudi Arabia has the direction of Iraq, but Iraq under Saddam Hussein became the protector of the Arabic Gulf region from the Persians, (UNITED STATES INSTITUTE OF PEACE, 2011, pp5)¹⁶.

- In the third stage in the history of Saudi oil, as we mentioned earlier, this phase started with the eighties of the last century, and it did not differ from the previous stages in its outputs regarding the impact of oil and its trade on the Saudi political environment despite the different historical events. This phase began with the seizure of Aramco by the entire Saudi government, which in the 1970s took over part of the company's assets as we explained earlier. In the mid-1980s as explained in the first section of this chapter on tanker warfare in the context of this event, we note that the Saudi oil industry influenced the behavior of the United States, which took a positive attitude to protect Saudi Arabia.

This period witnessed a conflict within the Organization of Petroleum Exporting Countries (OPEC) at the end of the eighties of the last century, as we discussed earlier. At the end of the 1980s, Saudi Arabia produced quotas in excess of OPEC's quota as well as OPEC's policy of reducing prices. Iraq ended the military operations carried out by Iraq towards Kuwait, one of the manipulators of quotas set by OPEC for oil production. Security is the first element in the political environment and the interest that determines the nature of political behavior is what prompted the Americans to military intervention as a justification for the Americans military presence in the Gulf region, but the US behavior to maintain energy security has led to reflections in the tension between Saudi Arabia and some anti-American forces in the region. This political behavior from the US side has had an impact on the Saudi political environment on all elements of the political environment, to a decline in oil prices due to the Iraq issue.

¹⁶ free translation.

With the end of the last decade of the last century, Saudi behavior changed to raise prices because that decline affected the security and sustainable development, (Pierce, 2012, pp98).

Finally, a statement by Chevron CEO and former Aramco official that the Saudis could produce an estimated 12 million barrels per day "for a few years." However, "the world should not expect more than the Saudis, (The New York Times, 2004). As if to say the US government has changed its behavior towards Saudi Arabia and this has a negative impact on the nature of relations, which will reflect on the internal Saudi situation.

5.3- Comparison results.

The oil trade had political risks threatening the instability of Iraq, but oil had a developmental impact in laying the first building block in Iraq and influenced the formulation of the Iraqi state. Based on the interest of the national security, the political behavior of Iraq was characterized in all historical stages despite the varying behavior that in turn reflected on the internal political situation and the external relations of Iraq.

The situation in Saudi Arabia is no different than in Iraq, where the oil industry affected the security and behavior of stakeholders and the impact on foreign relations of Saudi Arabia and the results were in the form of political risks and development processes.

Similarities and differences: Both the Iraqi and Saudi oil industries have contributed to the production of political risks and their mitigation through development processes. The difference, however, lies in the levels of development and political risks generated by the impact of that industry in the stakeholder countries.

The consequences of the inputs illustrate how political factors have been used in both sectors but in different ways. Iraq has used political means, namely adherence through law, bureaucracy and tariff system to reduce IPC and its influence, while Aramco used education and health to promote and social development of the stability of the Saudi regime, Iraq used trade to support its external goals and achieve greater internal stability achieve sovereignty as well as Saudi Arabia. The difference lies in Mechanisms to reach those goals. So what we mentioned earlier in the second chapter that the political environment revolves around gaining power to achieve stability that helps the development of state-building and the elimination of violence through sovereignty, which reinforces this view that political risks and the process of development are part of the definition of the political environment, we infer that political risks and development are the consequences of the impact of the oil sector. These findings reinforce our logical

interpretation of the concept of the political environment, which we have developed around the political environment in the foregoing, as a state of conflict between the government to impose its authority on all that affects the stability of the regime and those affected by the imposition of power governance or is the state of relations resulting from power and the impact Stakeholders on each other, whether they are companies or countries.

- The impact of the Saudi-Iraqi oil trade on the political behavior of stakeholders.

In the issue of Iraqi oil, we find the political behavior of the Government of Iraq and stakeholders moving in three directions, the first towards the stakeholders, whether countries or companies towards each other and the second towards the Iraqi society and the third towards the international community. And the same for countries that were in contact with the Iraqi oil trade.

As for the situation of the Saudi oil industry, it is not much different from Iraq. The political behavior set by the influence of oil is oriented in the same direction, towards the Saudi society and its stakeholders and towards the international community. It also determined the nature of Saudi international relations and the internal situation of Saudi Arabia. Behavior in terms of the positive and negative direction of stakeholders.

- Iraqi and Saudi oil trade and its impact on the internal political situation and international relations.

The positive and negative behavior has determined the nature of Iraqi relations with stakeholders. We find Iraqi behavior towards Britain in many stages negative creating tense relations.

As for the Saudi situation, the positive and negative behavior determined the nature of Saudi relations in the actors, but Saudi behavior towards the United States was more positive and characterized by cooperation, which made bilateral relations between the United States and Saudi Arabia more stable.

In terms of the internal situation and the extent of its impact on the oil industry in both countries, oil also had an impact through the political behavior of the two countries, but political behavior as an influence driven by the oil industry was more stable in the Kingdom than in Iraq, especially in the last stages of the last century.

- Effects of Iraqi-Saudi oil on security elements.

In the Iraqi oil industry, although security is the driving interest from which the actors of interest began, security is the last element that shows the impact, and reflected through the impact of the impact of the oil industry either in the form of political risks or development processes reduce political risks to reflect the

latter on political behavior one more time, the effect is continuous rotation. In the case of the Saudi oil industry, it is no different from the Iraqi oil industry, but the difference is the varying stability that the security component is heading from one stage to another.

What we conclude supports the hypothesis developed at the beginning of the second chapter of this research, where the impact of oil stems from the idea of security and creates political behavior that charts the external relations and internal situation, which are reflected on the security of the state and the results are either reduced risks and increased development or vice versa, then the impact of oil stems from the idea of security Nationalism and end up influencing them.

Chapter 6: Conclusion.

In this research we have tried to make a comparative analysis between the Iraqi oil trade and the Saudi oil trade in its impact on the political environment of Iraq and Saudi Arabia and other stakeholders to consider oil trade as one of the international business, The impact of international business on the political environment and the completion of that theory.

By defining international business as any cross-border business, it has a political and social impact as well as an economic impact. International business is in contact with trade security, international relations, and domestic policy. This petition creates the political risks of the business, either the political environment or the interactions of political activity between stakeholders and the resulting political risks or development processes. We found that international business and the political environment in that the concepts produce or political risks or development processes, we analyzed the causes of those results in the theoretical context mentioned in chapter II and deduced them on the elements of the political environment and those elements are subject to the impact of international business activity.

Through comparative analysis of the Iraqi and Saudi oil trade to test the validity of this theoretical context, we found that the work of Iraqi oil trade starts from the interest of the national security of Iraq and the national security of Britain and America in varying historical stages, which is part of the energy security that later painted the nature of the political behavior of those parties For example, as we have seen in previous chapters, the United States, in terms of its political behavior, was moving towards Iraqi Prime Minister Nuri Said in 1945 in an attempt to replace Britain. The second was towards Iraqi society and the communities of interest countries, for example, Iraq directed its behavior by cutting oil on the United States in the nineties of the last century to stir up the American public opinion and at the same time, the Iraqi political behavior was directed to the international community to win Tide governments to reject the decision to war on Iraq It is the third trend, and these trends have been reflected in the relations between Iraq and the actors and sponsors of their governments and the internal situation of Iraq, which affected the security and stability, which appear in the form of political risks impeding the process of development or development processes For political risk, as happened in the seventies of the last century, the issue of the nationalization of Iraqi oil and the accompanying risks and development.

As for the Saudi oil trade business, it is not much different from the theoretical context of the oil trade in Iraq except in terms of the disparity in the results of the interactions of the elements of the political environment, because the motive or interest that drives the stakeholders is the idea of their national security. They became dominant in investing in the Saudi oil sector and we found that Saudi Arabia's

behavior is similar in the case of Iraq. Saudi Arabia to prevent the supply of oil to the Western world in 1973, this behavior, which in turn is reflected in the Saudi internal situation and to draw cooperation between Saudi Arabia and the United States of America, and the results were political risks and development processes, varying risks and development with varying stages of historical events.

Thus, the comparison has supported the theoretical results which he explained and completed the explanation of these results, where the impact of oil stems from the idea of security and creates political behavior that charts the external relations that reflect on the internal situation and state security and the results are either reduced risk and increased development or vice versa then the impact of oil stems from the idea National security through other elements of the political environment and ends with influence on it.

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