

Evaluation of the GCC Cooperation on Renewable Energy Issues

¹Eman Baker Abu Elhawa and ²Mohammad Mohammad Hussain

¹Department of Economy and Political Sciences, Cairo University, Cairo, Egypt

²Department of Public Policy, Faculty of Economics and Sciences, Cairo University, Cairo, Egypt

Abstract: When talking about political cooperation among the Gulf Cooperation Council member states concerning their endeavors toward the utilization of renewable energy, two contradicting approaches should be recognized. On the one hand; the supporters of the first approach assure that it is difficult to overlook the benefits of renewable energy projects which are positively reflected on the GCC communities which have already started a number of projects in this area. On the other hand; the supporters of the second approach think that the GCC member states lack the legislative environment and the integrated political system which are a prerequisite for fruitful cooperation in the field of renewable energy. This is why it is necessary to pass suitable legislations and enact ambitious political programmes in this regard. Consequently, the problem of this thesis could be expressed by the following question: What is the current status of GCC cooperation on renewable energy issues?

Key words: Assessment, cooperation, Gulf states, energy, renewable

INTRODUCTION

The Arab Gulf region enjoys many attractive elements; that made it the focus of interest for the major and the colonial powers throughout history. The region possesses huge natural resources in addition to its distinguished location as it is located on the borderlines between the two Arab and Persian civilizations on the one hand and between the Islamic civilization and the Indian/Chinese civilizations whose ships harbored on the Gulf shores, on the other hand. Similarly, the Western Christian civilization had its own ties with the Gulf communities. The Arab Gulf was not only a geographical expression; rather, it conveyed economic values at some points of time and political as well as military importance at other points of time (Ismail, 2009).

Moreover, the Gulf Cooperation Council member states enjoy geopolitical and geostrategic importance since ancient times. For example, Saudi Arabia represents the eastern border of the Arab nation and the point of connection between the East and the West. This importance increased after Gulf States became major oil producers as an important strategic resource in the life of the contemporary world. Furthermore, the Gulf region contains more than two-thirds of global oil reserves, making it a contact point among all the world powers.

The six GCC member states reached a cooperative formula aiming to achieve cooperation, integration and interdependence among them in all fields. The Council's

Charter in its fourth Article stipulates the member states' obligation to deepen and consolidate the relations, links and aspects of cooperation among themselves (Mohamed and Mahmoud, 2008) GCC member states, to a large extent, are similar in terms of the type of their political regime, namely the monarchic or emiri system. This gives more importance to their political cooperation. In their march to democratization, most of the GCC states adopted several institutions within their executive authority levels, a council of ministers and a legislative body, in addition to an independent jurisdiction (Many study dealt with the efforts of the gulf cooperation council to benefit from the renewable energies. These studies are as follows:

- The UAE Ministry of Energy, a research project used the renewable energy in the Gulf Cooperation Council, the United Arab Emirates, Energy Ministry, Energy affairs, electricity and desalinated water department, 2013, in Arabic (UAE Ministry of Enrgy, 2013)
- Ahmed (2007) activating the Role of the Cooperation Council for the Arab States for achieving the Gulf and Arab National Security in the Light of the International and Regional Variables, Unpublished Fellowship Search, Cairo: Nasser Military Academy, 2007, in Arabic
- The 25 year since, the Establishment of The Cooperation Council For the Arab Gulf States, Summer in 2006, In Arabic

Gulf Cooperation Council in the Balance, Cairo: Dar Al Uloom for Publishing in 2009 in Arabic). On the other hand, renewable energy projects occupied the top of the Gulf Cooperation Council's policies agenda as an inseparable part of their future sustainable development plans in the region which will witness the largest growth in this field on the global level. Solar energy applications occupy the largest portion of this interest. The most prominent example is "Masdar" City in the UAE. It is considered as a pioneering project in the solar energy world in terms of volume, technology and productive capacity. Therefore, it is a beacon for the application of sustainable development approach across multiple channels such as education, investment in research and developmental projects and marketing initiatives aimed at developing technologies in this vital sector. Of course, Masdar city created a source of motivational environment for inaugurating similar initiatives that will design an integrated sector of economy based on the renewable energy that qualified it to effectively address the current environmental challenges.

GCC member states realize the size of the environmental concerns and focused on implementing renewable energy initiatives. It should be noted that there are no concerns about investment in oil revenues to achieve the highest goals as long as there are rigorous regulatory laws and policies. There is no any future clear vision on participating the private sector and investors in renewable energy industry due to the weakness or absence of a systematic strategy to support investments of non- governmental actors. This matter limits efforts aimed to reduce greenhouse gas emissions and the sustainability in the region.

Saudi Arabia also focuses on the study of the potential use of renewable energy, particularly solar and wind energy. At present, the Saudi government representing by Renewable Energy Commission are preparing a feasibility study for establishing a wind farm in Yanbu city, its capability ranges from 20-40 MW as well as another farm, of capability 10 MW in the city of Zalim; to feed part of the electricity loads in the city. On the other hand, the city of the King Abdul Aziz for Science and Technology is interested in studying the sources of fossil energy (oil, coal) together with renewable energy sources (wind, sun and hydrogen, etc.) as researchers are currently conducting an applied research in field of thermal and renewable energy through global cooperation programs (Merizek, 2011).

In Kuwait, in spite of its rich oil sources, the minister of electricity and water of Kuwait develops a feasibility study for establishing a solar thermal station integrated with the combined cycle with capacity of 100 MW, using

solar concentrators technique with equivalent cutting, in cooperation with the Germany solar energy plants at German aerospace center.

No doubt, the level of awareness about this problem and the consensus on the necessity to move forward in this area for dealing with it has dramatically increased over the years. The important question is: how to interpret the relatively modest level of progress that has been achieved so far in this area the problem lies in the existing institutional and regulatory frame is not commensurate with this task. A part of difficulties faced this sector are attributed to the breadth of available solutions. For example, GCC member states have several options for renewable energy resources such as nuclear power, as well as other varied solutions concerning the promotion of energy efficiency (Mohamer, 2003).

MATERIALS AND METHODS

The extent of cooperation council states need for alternative energy sources: Specifically, it is not correct to reject the nuclear power option at all and exclusively prefer renewable energy solutions according the current circumstances of GCC member states. This is because the main sources of renewable energy are wind and sun but the other sources such as water and biomass are not available in sufficient quantities or very little (with the possibility of burning some urban wastes). On the other hand, it could not be controlled in the availability of solar and wind energy sources and it could not be depended a system of generating energy which focuses only on wind and sun if we have no the necessary technology for storing huge amounts of electrical energy which allows separating demand from supply over time and such technology does not exist up till the present (UAE Ministry of Energy, 2013).

In contrast, nuclear energy is a reliable clean source and can contribute to meet the base load (constant demand for electricity, 24 h a day and 365 days a year nonstop). At the same time, concerns relating to the safety and security of nuclear facilities are realistic and reasonable but they can be treated effectively. In fact, there is a good potential for the possibility of achieving the technical progress in the field of nuclear energy, given the continuing increasing spread of nuclear power plants across the world with the exception of some European countries. Despite the seriousness of the issues related to anti-nuclear proliferation and the potential military use of nuclear technology but these previous matters cannot prevent resulting to such solution because it involves several advantages. It is obvious that the geographical location and the availability of a large amount of sunlight

and spaces make the GCC member states qualified to generate solar power and explore new ways to exploit it. Concerning wind energy, the available circumstances for using it is relatively less convenient but remains favorable to exploitation and spread widely (Mostafa, 2009).

The electric power sector in the GCC member states is still based on the sole provider system and the exclusive governmental property, although this system depends, in some cases, on some private institutions that invest in the generation sector and provide energy upon request. However, the absence of a free market of energy may constitute a positive factor helping the spread of renewable energy sources. The European experience showed that the integration of the renewable energy sources, especially those that cannot control its availability such as solar energy and wind in a market of energy is a difficult matter. Due to the marginal cost for producing energy from the sun or wind that is almost zero and the rise in the share of renewable energy sources, the rates of wholesale prices levels reduce which makes the economic status of the other resources at risk (The Arab Strategy for the Development of Renewable Energy Use (2010-2030), the Arab League the secretariat of the Arab (Ministerial Council for Electricity in 2013). Furthermore, the other resources is a must in the case of unavailability of solar and wind energy resources. Thus, integrating capability market with existing energy market can ensure adequate capacity and stability of supply but it may create eventually a system in which all sources are supported in one way or another. This problem remains unresolved. The situation will remain more likely as long as there is no appropriate technology to store large amounts of electricity. According, this matter will lead inevitably to limit the spread of renewable energy sources in a variable or rotatory manner.

In the case of the GCC member states, the level of the spread of frequent renewable sources is still low. Also, it is believed that the main problem lies largely in the low electricity price for the end consumer, this does not constitute a sufficient incentive to invest in creating more capacity and in fact any form of new capacity whether was renewable or traditional. The reasons which make many of the GCC member states hesitant about increasing the price of electricity to final consumers are well known. Also there is a consensus about the negative aspects of the existing solution. While low and reasonable tariff for necessary consumption may protect smaller and poorer strata, this decline in prices encourages wastefulness and become a regressive form for redistributing income. Low pricing leads to make electricity companies to be deprived of the free flow of liquidity needed for investment. This

results inevitably in instability in supply and frequent power failure (Renewable energy policy in 2007; Global status report).

There is no doubt that the trend towards more firmness and seriousness in adopting of renewable sources will have a positive aspect which is to knowing the value of the required high in pricing electricity clearly until stability in the electricity sector could be achieved. If the field has been left for the private sector to invest renewable energy sources and the monopolists of electricity play the role of the only buyer of the produced energy, it is possible to stimulate the new investment by open competition to produce more additional capacity. Competition must be based on the way that does not restrict bidders to any predetermined technologies so that they can put forward solutions based on technologies they prefer. The proposed price for producing energy should be the main measure in the arbitration to assign contracts. According to the previous international experiences, including the GCC member states, this matter led to the acceptance of some high competitive bidding. Such contracts determine the prices of the references sentence which could be adopted by authorities as evidence for reviewing the tariffs of the final consumer in order to ensure the sector's economic sustainability. Thus, it is possible later to use the same reference prices for purchasing energy widely from consumers who choose to become less dependent on network where they have sometimes an additional energy can be sold to network. Eventually, even small enterprises may be attached to this scheme but resulting to feed-in tariff with generalized form is not an appropriate solution especially if tariff has been fixed on a very high level as happened in Germany and other European countries. Depending on the competitive bidding, including the choice of technology, leads to unfair control for one technology at the expense of diversity. It is possible to correct this situation then, if necessary, by the identification of specific technology in a limited number of cases, allowing maintaining the required degree of diversity. At the same time, if a clear preference of the sector in a specific technology appeared, it would become an important indicator that should not be ignored or regarded as a retreat (Belgian Academy Council for Applied Science (April 2006), "Hydrogen as an Energy Carrier).

It is understood that the private sector is ready to engage in investment by the deployment of renewable energy sources on competitive bidding basis because the Gulf companies contribute actively to such competitions

in other countries of the world and has already won several contracts previously. Indeed, it seems at the moment that the ability of the industrial force in the GCC member states exceeds the pace of the emergence of opportunities, highlighting once again that the problem lies in the administrative and regulatory ambiguity and not in the presence of the substantial difficulties. Therefore, we should resort to simplification, not complication in order to overcome this dilemma. We must determine the distribution of responsibilities on specific governmental agencies and to avoid ambiguity and conflict for influence because this matter leads inevitably to paralysis. The governmental authorities must give up the pretext of the need to organize details or identify the optimal solution for every problem, and seek to a simple and clear objective which is maximum deployment of renewable capacity. If we ensure the clarity of objective, the determination of necessary procedures to achieve it will become easy (Muhanns, 2008).

There is also a good international experience at the present time. This indicates that the largest energy companies in Europe, certainly, as well as in the United States feel the need to rebalance their portfolios by ability to generate energy away from their national markets and traditional solutions to generate energy. Also, there is a demand on the opportunities of internationalization and the opportunities for investment in renewable energy sources. These opportunities become more limited, especially in Europe because of the high degree relatively of the renewable energy sources, along with the remaining issues related to the structure of the energy market and the instability of policies that prevent investors from entering in more risks associated with policies (participation in investments based its profitability maintaining support ratios or other social protection policies). Therefore, GCC member states can easily embark on rapid implementation of renewable energy sources and attract investment and technical expertise from international sources at the same time. Despite the drop in oil prices, the GCC member states is still an attractive source for international investment. When energy is monopolized by a single buyer, investment in energy generation is at risk of financial solvency. Thus, the GCC member states remain in a very good ranking of sovereign risks compared to the other countries of the world.

It can also for the GCC countries to serve as a laboratory to test new technology and solution that may be useful on the global level. The amendment of the electricity use for water desalination in the chemical industry and aluminum can facilitate the matching of the nature of the burden with the available renewable sources. In other words, if we cannot store electricity.

The role of the economic integration among the GCC countries: The GCC countries face different challenges, most notably the security threats that related to regional conflicts and the Arab Spring. In fact, most challenges are characterized by having an economic base, meaning it is possible find an economic solution for them, even problems that seem far from the economic level can be solved as well. For example, the Middle East witnesses a wave of religious extremism due to, in part, the spread of poverty in the aftermath the international financial crisis. Therefore, this extremism can be treatable by following certain economic policies, although there are other political and social factors playing a big role in this extremism (Muhanns, 2008).

The economic projects require a long time in order to appear actually a positive impact such as the reform of the education system. However, the economic integration forms a quick return economic policy, making it very tempting for policymakers. European Union countries achieved remarkable economic benefits after the launch of the European Common Market (Allen *et al.*, 1998). "European single market: how the programme has fostered competition," Economic Policy, p44-486) in 1992. Therefore, many countries today seek to form economic blocs. Also, the Gulf States influenced by the European experience where they launched custom unit in 2003, followed by a common market in 2008. They are now going in the way of a monetary union.

Although, the GCC countries achieved a tangible progress in the field of economic integration, they are still suffering from a fundamental gap: approving projects without activating them (Abdulghaffar *et al.*, 2013). "The malfunctioning of the Gulf Cooperation Council single market: features, causes and remedies," Middle Eastern Finance and Economics, 19.). For example, Gulf business men complain from duties on their goods when transported between the two Gulf States despite the custom unit, and thus the abortion of intra- tariffs for >10 years. The lack of the proper activation due to the weakness of central Gulf institutions where they have no the required powers to implement the Gulf projects and accounting persons who violate what was agreed upon during the GCC summits (Alasfoor, 2007). The Gulf Cooperation Council: Its Nature and Achievements. Lund: Lund University). Accordingly, the Gulf Union is a means to implement economic integration in a holistic manner, and then addressing the economic difficulties and the other issues (Muhanns, 2008).

International Monterey Fund (IMF) monitors periodically economic challenges faced by the GCC Countries, mostly common ones. Report on the Gulf Single Market: Obstacles and Solutions). They are the

lack of diversity in economic activities, dependence on natural resources which will be exhausted in the coming years, the weakness of innovation and productivity growth, high unemployment among the youth and the rapid growth in the consumption of energy. Even if Bahrain is characterized by more diverse from the Gulf States economically where the oil sector represents 25% of Gross Domestic Product (GDP), compared to over 40% in Saudi Arabia, Qatar and Kuwait (International Monetary Fund World Economic Outlook Database.) It has the largest public debt (as a percentage of national income) as well as the largest deficit in the general budget of the GCC countries. Therefore, they must address the issue quickly.

Challenges facing the GCC countries are not only limited the economic field but also transnational groups such as Hezbollah and Islamic state of Iraq and Syria (ISIS) represent an urgent security problem due to their practicing of violence and terrorism and their role in encouraging sectarian polarization. The power of these groups attributes to instability in various countries in the Middle East such as Syria, Iraq and Yemen, in addition to the financial and moral support stemming from powers that are fighting for regional influence.

Terrorism experts say that there is a fundamental role of economic pressure in the problems of terrorism and extremism (Caruso and Schneider, 2011). "The socio-economic determinants of terrorism and political violence in Western Europe (1994-2007)." *European Journal of Political Economy*, 27, pS37-S39) where scarcity of economic opportunities leads to loss of hope and a sense of oppression. Terrorism leaders exploit these circumstances, especially among the unemployed youth. Therefore, researchers found that the most states prone to civil wars are poor countries and that wars break out in areas suffering from economic difficulties (Collier and Hoeffler, 1998).

Thus, the economic policies characterized by the ability to address the economic and not economic challenges facing the Gulf States. Economists, since the days of Adam Smith, supported economic integration as a means to promote economic growth. When a market opens up to the largest number of sellers, producers and buyers, the opportunities of specialization will increase. This matter leads to raise producers, productivity size and push them towards developing their products in order to attract new customers. This was one of the reasons of the United Kingdom's commitment to the principle of free trade during the eighteenth and nineteenth centuries, as it constitutes one of the main reasons for the control of the United States and China on the other economies in the current era (Baldwin and Venables, 1995).

These economic theories led to establish the European cooperation project on an economic basis, starting from European steel and coal system in 1952, followed by the free trade organization, the custom unit, the common market and eventually the unit currency (Euro) in 1999. What draws attention that the integration process is based on economic steps although the political motive was not economic matter: avoiding internal wars after the violent conflicts since the Middle Age. "History of the European Union," *LexetScientia International Journal*, 18, p107-137). Thus, the German Nazi movement launched from the German economic crisis caused the international community through Financial Penalties imposed on the German People after being defeated in World War I (Robert, 2011). Furthermore, the international financial crisis in 1929 led to the spread of extremism and xenophobia in all parts of the world. As a result of all these negative social trends, World War II broke out in 1939, killed more than 60 million.

In terms of direct economic return, establishing the European Common Market was the most important link in the economic integration chain where it led to a remarkable improvement in the competitiveness of European companies and to create many new job opportunities. This successful experience was a role model for the GCC countries when the Gulf Common Market was launched in 2003 (Badinger, 2007).

Furthermore, the Gulf States convinced that the economic integration is a significant matter and it did not establish on the basis of the bloody wars policy, as happened in Europe. Some indicators refer to marked achievements related to the Gulf Common Market. In 2011, the volume of the bilateral trade amounted to \$85 billion (6% of gross Gulf product). The number of cooperation council citizens employed in other member states was estimated at about 40 thousand. Also, spreading other matters such as the ownership of real estate, the licenses of business activities and joining to the pension system among the Gulf citizens living in other Gulf states.

RESULTS AND DISCUSSION

However, this ambitious project has not been activated in an acceptable manner till now due to many gaps in the application process. According to periodic reports issued by federation of GCC chambers, the organization that represents the private sectors in the GCC countries, the Gulf citizen still is being treated as non-citizen treatment in all areas in six states. For example the Gulf merchant suffers from the discrimination policy in the tax treatment and in the procedures of obtaining

commercial licenses when doing his work outside the home state. Also, he complains of many expensive obstacles when transferring goods between the two Gulf States. The Gulf worker also, suffers from discrimination when applying for jobs, especially in public sectors, as well as when getting professional licenses. The Gulf investor faces remarkable difficulties when seeking to buy real estate or shares in another state where some Gulf States are continuing to prevent non-citizen (including the Gulf citizens) from owning land or certain shares (Muhamms, 2008).

The Gulf common market has not been activated yet. The evidence is in the non-implementation of the step preceding it which is the custom unit in 2014. The GCC countries did not agree a system of tariffs sharing despite the expiration of >10 years after the adoption of the custom unit. It should be noted that the structure of the current cooperation council is not appropriate to activate huge complementary projects as a joint market. This is due to the central Gulf institutions, specifically the General Secretariat, do not have any executive powers which prevent them from accounting countries that do not abide by the rules of integration whether accountability was attributed to ignorance, slowness in implementation or conflicting interests. However, if the Gulf States became integrated, central institutions would be formed. These institutions will have the required powers to create a Gulf economic identity which replaces the six identities.

For example, at the moment if the Gulf trader was prevented from getting a business license in another Gulf state, there is no a transparent and effective mechanism to address the issue. If the merchant complained of the general secretariat, it would refer to the general secretariat which is not able to compel Gulf governments to embody the central decisions. If the trader resorted to his government, it would be parallel to the government of the objecting state and therefore it is not able to impose its opinion on the other state. If he submitted a complaint to the offending government, it would surely support the opinion of its ministry. However, if a central Gulf government was constituted, it would facilitate the way of treating the issue. Thus, the Gulf citizen will submit a complaint to the topping government that it can make an obligatory decision to its branches in the concerned state about issuing the trading license.

This is what happened in the United States which contains 50 government characterized by independence. They sit under the control of the authority of topping federal government. If an American citizen faced a case of discrimination against him when he wants to obtain a

job opportunity in another state, he can sue through the federal court and lodge a complaint to the Central Work Ministry. These two institutions have the required powers to deal with any violations.

The European Union uses a different governmental structure for this purpose because it is a union in form not in subject where the member states maintain their independence in most economic affairs. There is a central institution the European commission charged with following the implementation of the common economic projects as well as enjoys powers such as imposing fines on those who violate the European law. What makes the European system distinctive from the American federal system is that the first depends on aids from member states governments to enforce the central laws because their human and financial resources are limited (though these resources exceed the total resources of the GCC' General Secretariat). On the contrary, US federal institutions punish violators of federal laws directly without resorting to state governments (Muhamms, 2008).

The actual economic integration creates a great economic impact that considers one of the economic thought foundations. However, activating the economic integration requires high political and legislative institutions which are able to follow implementing and accounting those persons who impede it. The current structure of GCC countries is inappropriate for this purpose because the Gulf central institutions have no the required powers and then the economic impact remain hidden not apparent. The simplest solution is the political union where it leads to create the required structure, as happened in European countries such as the United States and Switzerland. In this case, the Gulf union is the motivating power towards economic integration.

In the current age, there is another benefit concerning union. This benefit is to act as one bloc in the economic, diplomatic and military fields. Exception Saudi Arabia, the GCC countries is small and its influence is very little during the bilateral negotiations with non- Gulf States. For example, the nuclear negotiations between Iran and fifth security Council states plus one. Due to its military power and economic importance, Germany was able to occupy a distinctive role in the negotiations, though it does not have nuclear weapons and not a permanent member of the security council of the United Nation. The Gulf States suffered significantly from a lack of ability to participate in the negotiations, although the issued deals will effect largely on them.

Thus, the economic growth addresses the economic and non-economic challenges. The rich countries characterized by stability, moderation safety and avoidance of war and terrorism. This general principle can be applied to the GCC countries where their economic future is unsafe because of its dependence on natural resources, poor educational systems and spreading unemployment among the youth. For example, Bahrain suffers from the lack of natural resources and high debt, in comparison to neighbors. Therefore, it became the only threatened Gulf state economically, more than others among the six countries. It is in dire need of economic reforms to deal with its economic and societal challenges (Abdulghaffar *et al.*, 2013).

History proved that one of the most important means of achieving sustainable economic growth is economic integration. The opening up of markets stimulates producer and entrepreneurs on technological and administrative development. The GCC countries tried to seize the opportunities of economic integration by making economic projects which similar to the European Union's projects during the last 50 years. However, these Gulf projects have not been activated completely. This is due to the weakness of the Gulf central institutions where they have no the required authorities to implement a complex project as a Gulf common Market.

The Union is the only way to fill this gap and to achieve the actual economic integration and not theoretical between the GCC countries. The union of the six countries will lead to other acquisitions specifically the advantages of negotiation as a one bloc in international deals.

However, the Gulf States did not form so far a common vision about the union project. Some countries insist on maintaining their sovereign independence. For example, the Sultanate of Oman links to economic and political ties with Iran which is different radically from relations between Iran and Saudi Arabia. Therefore, it refuses the union because it would be forced to violate its interests with Iran according to the central Gulf policy (Muhamms, 2008)

The Gulf States can benefit from the European experience again to overcome this obstacle. The European Union's states applied the European integration's project gradually. In the event of disagreement, the proposal project can be applied to a subset of bloc convinced it. This small block turns into a pioneering and experimental model. In general, in the case of the success of project, the remaining states can be followed it. For example, the United Kingdom was not joined to the European free trade Area at the time of its founding in 1957 because of its ties with its former colonies. However, after the dismantling of the British Empire, the United Kingdom was convinced of

the benefits of free trade zone and joined to it in 1973. The European Union is the only example of a successful economic integration, but there are many differences between the two cases of the European countries and GCC ones. The following of the same steps of the European Union plan is not suit the needs of the GCC member states. For example, some saw that the informal consultation system used by the GCC countries to deal with disputes which backed to tribal traditions, is the best option of the Gulf States. This option is better than a structure that turns the powers of the six countries in to a topping central government.

The circumstances of the Gulf have changed now where risks and threats have doubled. Therefore, the GCC countries must look for new ways to face the economic and non-economic challenges. Theoretically, it is assumed that economic integration will be easier for the Gulf Countries than for the European countries due characterized by joint language, culture, economic structure and demographic composition.

CONCLUSION

Sustainability in the energy sector is the most important challenges that the GCC countries must deal with it and reach a solution within the next two decades. All know that the world will need more energy continuously. Although the share of the energy sector from the Gross Domestic Product (GDP) decreases continuously, the complete separation of the economic from the increasing demand of energy remains almost impossible. As we know that the world will continue to rely on fossil fuel even though the quota was less than the total of the energy demand. Finally, we recognize that fossil fuel resources will be sufficient to meet anticipated demand. However, the GCC countries cannot continue on the same current energy consumption pattern. There is excessive energy consumption in the economies of the GCC countries due to rampant wastes, particularly in the two housing and commerce sectors. Furthermore, the exclusive reliance on oil and gas in all areas of energy use, including power generation is a threat to the possibilities of exporting these hydrocarbons and raises the level of risks, as always happens when we put all eggs in one basket. Thus, the research to increase the level of energy efficiently and diversify its sources became an urgent necessity.

RECOMMENDATIONS

However, The Gulf reality shows that there still are several requirements for the success of political cooperation in the field of renewable energy. They are as follows:

- Launching policies for the development of an integrated network covering all gaps between the renewable energy capabilities and the provided services, supporting incentives, the smooth operation of the facilities, the used appropriate space and the water and the surrounding environment
- Establishing organizational principles and provisions related to fulfilling the minimum of purchase agreement of renewable energy, clear foundations of pricing the various technical means, formulating provisions for trading or bartering in renewable energy, scheduling the operation of the facility and finally separating energy
- Constructing an assistant market to ensure meeting the challenges resulting from interrupting energy moving in solar energy or wind and to ensure the measure and standard of energy and protection, etc

REFERENCES

- Abdulghaffar, M., O.A. Ubaydli and O. Mahmood, 2013. The malfunctioning of the GCC member states single market: Features, causes and remedies. *Middle East. Finance Econ.*, 19: 54-67.
- Ahmed, B.Y.B.S.A.G., 2007. Activating the Role of the Cooperation Council for the Arab States for achieving the Gulf and Arab National Security in the Light of the International and Regional Variables. Nasser Military Academy, Cairo, Egypt,.
- Alasfoor, R., 2007. The GCC Member States: Its Nature and Achievements. Lund University, Lund, Sweden,.
- Allen, C., M. Gasiorek and A. Smith, 1998. European single market: How the programme has fostered competition. *Econ. Policy*, 27: 441-486.
- Badinger, H., 2007. Has the EU's single market programme fostered competition? Testing for a decrease in mark-up ratios in EU industries. *Oxford Bull. Econ. Stat.*, 69: 497-519.
- Baldwin, R.E. and A.J. Venables, 1995. Regional economic integration. *Handb. Intl. Econ.*, 3: 1597-1644.
- Caruso, R. and F. Schneider, 2011. The socio-economic determinants of terrorism and political violence in Western Europe (1994-2007). *Eur. J. Political Economy*, 27: 37-49.
- Collier, P. and A. Hoeffler, 1998. On economic causes of civil war. *Oxford Econ. Pap.*, 50: 563-573.
- Ismail, M.S., 2009. The GCC Member States in the Balance. Dar al-Uloom Publishing House, Cairo, Egypt,.
- Merizek, A., 2011. The Role of Renewable Energy Programs in Addressing Unemployment Phenomenon: Reading the Algerian Reality. El Madrsa El Owlia, Algeria,.
- Mohamed, M.E.K. and M.K.A.A. Mahmoud, 2008. The policies of the renewable energy regionally and globally. Ministry of Electricity and Energy, Cairo, Egypt.
- Mohamer, E.L.Z., 2003. Ajami the Security of the Arab Gulf: Its Development and Problematic from the Respective of the Regional International Relations. Center of Arab Unity Studies, Beirut, Lebanon,.
- Mostafa, M.E.K., 2009. Renewable Energy in the Arab World. Siemens Publications, Cairo, Egypt,.
- Muhamns, M.N., 2008. The Arabian Gulf Manual. Dar Al-Kotob Al Ilmiyah, Alexandria, Egypt,.
- Robert, P.O., 2011. Europe in the Twentieth Century. Wadsworth Publishing Company, Wadsworth, USA.,.
- UAE Ministry of Energy, 2013. A research project used the renewable energy in the GCC member states. Energy Ministry, Energy Affairs, Electricity and Desalinated Water Department, United Arab Emirates.