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Review Article

Development as Security: Economic Diversification and the Reconfiguration of National Security in Gulf States Under Vision-Driven Transformations

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Abstract

Gulf Cooperation Council (GCC) states have embarked on ambitious "Vision"-driven reforms to diversify economies and reframe national security. This paper analyzes how Saudi Arabia, the UAE, and Qatar link economic transformation to security policy, under a theoretical "development-as-security" framework. We review rentier-state dynamics and human-security concepts to contextualize Gulf strategies. Through comparative case studies, we examine each country's Vision (Saudi Vision 2030, UAE Centennial 2071, Qatar National Vision 2030), focusing on objectives, instruments, and progress in diversification, and how these affect economic, political, and social security. Data indicate rising non-oil growth (Saudi non-oil GDP ~53–57 % by 2025; UAE non-oil GDP >70 %) and targeted reforms (e.g. Saudi defense localization, UAE tech hubs, Qatar education investment). We look at the implications in terms of economic security through the lens of multiple sources of income, political stability in the form of a new foundation for legitimacy, and improvements in human security in the realms of health and education. We also look at the constraints in the form of institutional and demographic pressures, and the geopolitical shifts in the US's strategic retrenchment and the emergence of new partnerships. What our findings have shown is that, indeed, the Gulf states have benefited from the policy of diversification, but in doing so, a new set of security dynamics has emerged in the realms of cyber and artificial intelligence, and climate. In conclusion are some policy recommendations, but in the context of the Gulf, it is quite evident that the concept of development and security is inextricably linked in the Gulf, and the policies of diversification have both responded to and created a new set of security conditions.

Keywords Economic Diversification, National Security, Gulf Cooperation Council (GCC), Vision 2030, Development-Security Nexus, Strategic Transformation, Middle East Political Economy.

INTRODUCTION

For decades the Gulf Arab monarchies operated under a classic *rentier state* model, in which vast petroleum rents funded welfare states and patronage networks that undergirded regime security (Ulrichsen 2014). Regime legitimacy was thus closely tied to oil revenues, and national security was defined largely in geopolitical terms (territorial defense, energy-export stability, and alliances with great powers). However, a confluence of factors protracted global oil volatility, the 2008/2014 price shocks, the 2011 Arab upheavals, and recent conflicts (e.g. Yemen, regional rivalries) has challenged the sustainability of this model (Ulrichsen 2014). Many analysts now argue that Gulf stability increasingly depends on diversifying economies and addressing the *human security* concerns of their societies (Soubrier 2020; Ulrichsen 2014).

In response, Saudi Arabia, the United Arab Emirates, and Qatar have each launched long-term development visions (Saudi Vision 2030 in 2016, UAE Centennial 2071 in 2017, Qatar National Vision 2030 in 2008) that explicitly aim to "free [the] Kingdom from its dependence on oil exports" and usher in a new era of economic diversification (Saudi Ministry of Tourism 2016). These Visions reframe development goals from industry and infrastructure to education and healthcare as components of national security. For example, Qatar's Vision emphasizes investing in human capital (pillars for education, health, workforce) as a basis for sustaining progress (Government Communications Office 2024). Similarly, the UAE's Centennial Plan envisions a "diversified knowledge economy" built on innovation and advanced industries (UNESCO 2020). In effect, Gulf governments are linking the promise of socio-economic transformation to regime resilience.

This paper investigates the evolving *development-security nexus* in the Gulf. We examine how diversification policies under Vision frameworks have begun to reconfigure national security strategies. The study is organized as follows: in Section II, we discuss theoretical perspectives on human security and rentier governance. In Section III, we explain the methodological framework of the study, which relies on a comparative and qualitative analysis of policy documents and secondary literature. In Section IV, we discuss the case studies of Saudi Arabia, the UAE, and Qatar, including the goals, tools, and results of their economic diversification strategies. In Section V, we try to synthesize the economic, political, and human security implications of economic diversification in the region, with a focus on the similarities and differences. In Section VI, we present the emerging risks and geopolitical implications of economic diversification in the GCC, while in Section VII, we conclude with some policy recommendations. We rely on recent literature and data (between 2016 and 2025) to assess the results and ensure the verifiability of the information cited in the study.

Literature Review and Theoretical Framework

The notion that economic development can itself be a security strategy has gained prominence in Gulf studies. Broadly, human security theory argues that true security goes beyond armies and borders to include protection of peoples' welfare (food, health, environment, economic opportunity) (Soubrier 2020; Ulrichsen 2014). Gulf rulers have traditionally prioritized regime security (elite stability, territorial integrity) above all (Ulrichsen 2014). However, scholars note growing recognition of non-traditional threats: public health crises, food/water scarcity, and economic shocks can undermine legitimacy. The COVID-19 pandemic starkly illustrated this point in the Gulf, pushing analysts to argue that "Gulf security is first and foremost human security" (Soubrier 2020). In other words, maintaining political order now requires governments to safeguard citizen well-being and livelihoods.

This evolution is also related to the rentier state concept critique. The traditional rentier state concept suggests that oil rents generate a 'redistributive' political economy where the state buys off society through subsidies and jobs, rather than taxes (Soubrier 2020). Although this is the basis of Gulf stability, the model can also lead to complacency. Researchers warn that sustained low oil prices or rising populations threaten this bargain; as Ulrichsen observes, Gulf economies are "especially vulnerable to the potential breakdown of mechanisms for spreading wealth" (Soubrier 2020). The Arab Spring of 2011 put this issue into sharp relief. Even though the Gulf monarchies avoided mass uprisings, they recognized that reforming their static models would be politically sensitive (Soubrier 2020). Subsequent analyses (e.g. Hertog 2011, Coates Ulrichsen 2014) predicted that the most dangerous impact of that regional turmoil would be *economic*, as patronage-heavy politics would strain fiscal sustainability (Soubrier 2020).

In this context, Gulf Vision documents propose a mediated solution: gradual, state-led diversification that maintains regime control while adapting to external change. These plans echo modernization theory in some respects, positing that investing in education, technology, and private-sector jobs will create a more resilient society (Saudi Ministry of Tourism 2016; UNESCO 2020). However, they also draw on more recent policy narratives: for example, World Bank and IMF reports now stress that fiscal prudence, human capital development, and innovation are critical for "long-term prosperity and stability" in the GCC (World Bank 2025; Zafar and Ali 2025). Likewise, think-tank analyses note that Gulf states are actively seeking new strategic assets (beyond oil) to anchor their security—in effect exporting data and technology as they once exported oil (Zalayat 2026).

The study therefore situates Gulf diversification within a "wider security" framework. We treat economic reform not as purely technocratic change, but as a calculated element of national security strategy. The literature suggests that when governments link socio-economic progress to legitimacy, they effectively redefine the security contract. To explore this, we adopt a comparative approach: examining how each Gulf state's vision reforms target economic, political, and social security simultaneously.

METHODOLOGY

This research employs a qualitative case-study methodology. We systematically analyze official documents (Vision plans, government reports) and recent scholarship to trace policy mechanisms and outcomes. Key sources include Vision texts (Saudi Vision 2030 "A Story of Transformation," UAE Centennial Plan overviews, Qatar's national development strategies) as well as analyses from academic journals and reputable policy institutes (e.g., World Bank Gulf Economic Updates, regional think tanks). Wherever possible we incorporate quantitative indicators (non-oil GDP share, growth rates, employment figures) from verified datasets. We compare the three focal cases on common dimensions: stated diversification objectives, concrete reforms (privatization, sector initiatives, etc.), and security implications. The "development as security" linkage is examined by looking for evidence that economic policies are explicitly justified on stability or strategic grounds. Limitations include differences in data availability and the problem of establishing causality, although the use of multiple sources helps in establishing robustness.

Case Studies: Vision-Driven Diversification and Security Reconfiguration

Saudi Arabia (Vision 2030)

Objectives and Instruments. Saudi Vision 2030 (launched 2016) openly "aims to free the Kingdom from its dependence on oil exports" by building a "thriving economy" of diverse sectors (Saudi Ministry of Tourism 2016). Its pillars include expanding investment (e.g. Public Investment Fund projects), privatizing state assets (such as the partial Aramco IPO), localizing industries (defense, technology), and developing new tourism, entertainment, and financial sectors. Specific programs the National Transformation Program (NTP) and others set hundreds of targets in sectors like housing, transport, health, and education. A strong emphasis is placed on Saudi workforce participation (Saudization), female employment, and youth entrepreneurship. For example, special economic zones (e.g. NEOM mega-city) are intended to attract tech and sustainable industries. At the same time, subsidy reforms (e.g. to fuel and utilities) and fiscal consolidation measures have been introduced to free up state resources for investment.

Diversification Progress. These reforms are yielding notable economic shifts. Non-oil output has become a main growth engine: in 2025 Saudi Arabia achieved 18 consecutive quarters of GDP growth driven by non-hydrocarbon activity (Narayanan 2025). S&P Global projects that the non-oil sector will contribute about 3.5 % annually to GDP growth from 2025–28 (Narayanan 2025). In fact, non-oil sector growth reached ~4.6 % year-on-year in mid-2025 (Narayanan 2025), and the General Authority for Statistics reported non-oil activity contributed 53.2% of GDP in Q1 2025 (Narayanan 2025). Estimates suggest this share will rise (S&P forecasts ~57% in 2025, rising with further reforms) (Narayanan 2025). Key diversified sectors include construction, real estate, tourism (e.g. new resorts, cultural sites), logistics (airports, rail), and emerging industries like renewables and mining. Employment gains have followed: women's labour participation, for instance, jumped following legal reforms (removal of driving ban, workplace changes) (albeit the gender wage gap remains a concern, [23†L151-L157]). Public investment in education and training (part of Vision's human-capital focus) is rising to match these new industries.

Security Reconfiguration. Saudi Arabia's security calculus has shifted alongside its economy. Politically, diversifying the economy serves as a hedge against future oil shocks and climate risks, bolstering fiscal stability. This, in turn, is seen as vital to regime security maintaining patronage and welfare without relying solely on oil rents. Notably, Saudi leaders often frame Vision 2030 as a pillar of national resilience (Hassan 2025). For example, GAMI (General Authority for Military Industries) explicitly links military-industrial expansion to Vision 2030's goals, aiming for localization of 50%+ of defense spending by 2030 to build a "resilient … military industrial base" that will both "bolster national security" and "contribute to the Kingdom's economic diversification" (Hassan 2025). In practical terms, Saudi Arabia has aggressively invested in its defense sector (military budget ~$75.8 b in 2024, 7.2% of GDP (Hassan 2025)) while cultivating partnerships (e.g. joint projects with Turkey and others) to retain security autonomy as Washington's guarantees are perceived to wane. Similarly, the kingdom is forging new strategic partnerships in AI and technology, under the logic that if global computing centres are vital for future economies, Saudi development of AI infrastructure will make the kingdom a critical link (an idea already openly stated by U.S. officials approving sales of advanced chips to Riyadh) (Zalayat 2026). In short, Saudi security strategy now treats economic assets (sovereign wealth, tech hubs) as "strategic cards" to leverage international support, akin to how oil once operated (Zalayat 2026).

United Arab Emirates (Vision 2021 & Centennial 2071)

Objectives and Instruments. The UAE's trajectory to diversification began earlier than Saudi Arabia's. The UAE Vision 2021 (launched 2010) and Dubai Plan 2021 built on decades of modest oil wealth by promoting trade, tourism, aviation, and services. More recently, the UAE Centennial 2071 (launched 2017) set a half-century plan, with one pillar explicitly on a "diversified knowledge economy" (UNESCO 2020). This pillar focuses on enhancing productivity, investing in state-of-the-art research (AI, biotech, renewable energy), and stimulating entrepreneurship and innovation. The policy toolkit of the UAE comprises a number of free zones (e.g., Dubai Internet City, Abu Dhabi's Masdar City), liberalizing business ownership (100% foreign ownership in many sectors), and high levels of public sector investment in infrastructure (ports, airports, 5G/ICT, and space and AI). The Emirates also led the region in social reforms that complement economic change: for instance, expanding education access and digitizing government services to improve business efficiency.

Diversification Progress. The results in macroeconomic terms are significant. The non-oil sector now accounts for more than 70% of UAE GDP (Uppal 2023), and has been the primary driver of growth. In H1 2023, UAE GDP grew 3.7%, but non-oil GDP surged 5.9% year-on-year (Uppal 2023). Last year the economy grew almost 8% (boosted by high oil prices), but even absent oil windfalls, IMF forecasts expect non-oil growth of ~4–5% (Uppal 2023). Advanced sectors are thriving: finance and trade hubs (Dubai, Abu Dhabi) continue expanding; tourism (with Expo 2020/Dubai) is a major foreign-currency earner; and new sectors (e.g. film, cybersecurity, renewable energy) have taken off with state backing. In addition, social indicators also measure economic growth, and the UAE has achieved a high standard in human development, with a life expectancy of ~77 years and a literacy rate of nearly 95%. Reforms in the labour market, including quota systems and programs of 'Emiratisation,' seek to incorporate nationals in new sectors.

Security Reconfiguration. With relatively small populations and limited internal divisions, the UAE's regime security concerns differ from Saudi Arabia's; nonetheless, economic diversification plays a clear security role. The leadership openly connects openness to national strength: as the UAE Economy Minister put it, recent growth "is a testament to our resilience, diversification and commitment to openness, and international cooperation" (Uppal 2023). Indeed, global integration is a pillar of UAE security doctrine. The UAE has diversified its strategic partnerships (establishing diplomatic and trade ties with Israel, strengthening China ties, deepening Russia relations) in tandem with economic openings. Security has also expanded beyond oil interests: the Emirates invest heavily in cutting-edge military hardware and have become a regional security actor (militia interventions, UAE troops abroad). However, rather than rely on external defense guarantees, the UAE's strategy is to make itself indispensable via economic linkages. For example, the Emirates are building AI and space capabilities and hosting international forums (Dubai Expo, COP28) to signal global interconnectedness. In sum, for the UAE, a diversified, knowledge-driven economy is viewed as both a protective cushion against commodity shocks and as "a backbone" of national security, since a strong economy underwrites the state's credibility at home and abroad (Uppal 2023; UNESCO 2020).

Qatar (Vision 2030 and National Development Strategies)

Objectives and Instruments. Qatar's National Vision 2030 (approved 2008) set out long-term goals in four pillars: human, social, economic, and environmental development. Its core economic aim is to "proactively manage" hydrocarbon wealth while expanding non-energy sectors, fostering a "knowledge-based" economy. Successive National Development Strategies (2011–16, 2018–22, 2024–30) have operationalized this vision. Measures include gradual gas-sector expansion (North Field LNG), major infrastructure investment (e.g. Hamad International Airport, World Cup stadiums), and knowledge initiatives (Qatar Foundation's education and research cities). Qatar has also liberalized certain sectors (banking, media, tourism) to attract global capital, and built some local industries (petrochemicals, aluminium smelting) using gas feedstock. Importantly, Qatar's modernization drives have coincided with tight political control reforms are engineered from above to prevent unrest while slowly building private enterprise.

Diversification Progress. Qatar remains the world's richest country per capita thanks to its LNG monopoly, but its diversification efforts show moderate results. The hydrocarbon sector still dominates exports and government revenue (~70–80%), but the non-energy economy has grown strongly thanks to Vision-driven spending. Prior to COVID, Qatar reported about 4–5% GDP growth annually; most of this was due to gas expansion (especially the 2019–20 North Field expansion). However, substantial progress is visible in other fields. For instance, social indicators have markedly improved: Qatar's life expectancy has risen (80.3 years by 2021, a region-leading figure (Government Communications Office 2024)), healthcare access and education enrolment are high, and government services have been modernized. Female workforce participation (a Vision target) inched upward (37% to 42% from 2016 to 2021 (Government Communications Office 2024)). The hospitality and financial sectors have likewise expanded: tourism arrivals (including World Cup 2022 visitors) and foreign bank branches both grew. According to the World Bank's 2025 report, Qatar's non-hydrocarbon growth is expected to remain robust, driven by infrastructure upgrades and international investment (World Bank 2025). Growth is projected to jump (to ~6.5% in 2026–27) as new LNG capacity comes online (World Bank 2025), highlighting the dual role of energy and diversification.

Security Reconfiguration. Qatar's security calculus is unique in the GCC. As a small emirate, it long relied on alliances (hosting the largest U.S. airbase in the region) as well as vast wealth to hedge threats. Notably, in 2017–2021 Qatar withstood a Saudi/UAE/Bahrain blockade, in part by accelerating self-sufficiency (in food imports, finance) and new diplomacy. Under the Vision framework, economic projects have been framed as enhancing sovereignty. For example, Qatar's leadership often emphasizes that "responsible exploitation" of gas should fund both current welfare and future diversification (as noted in QNV documents) (Al-Hitmi 2018). The state has also invested heavily in security infrastructure (air defenses, cyber capability, and counterterrorism). Importantly, the Vision's human development emphasis can be seen as preventive security strategy: by improving education and health, Qatar aims to secure internal stability and social harmony (pillars of its national strategy) (Al-Hitmi 2018; Government Communications Office 2024).

Regionally, Qatar has leveraged its wealth to buy influence (Al-Udeid Air Base, media like Al-Jazeera) and to serve as an energy supplier to Europe amid geopolitics. Looking ahead, Qatar positions itself as a global gas pivot this energy relevance is a security asset. Simultaneously, like its neighbours, Qatar has embraced technology initiatives (e.g. national AI strategy) to diversify its international partnerships. In sum, Doha's Vision seeks to align economic diversification with national resilience: by balancing heavy fuel revenues with alternative economic ties, Qatar attempts to maintain both regime security and strategic autonomy.

Discussion: Implications for Security

The case studies illustrate a common pattern: Gulf economic transformation is being securitized as much as economic. In practical terms, this has several implications:

- **Economic Security:** Diversification helps reduce vulnerability to oil price shocks. By increasing the number of industries, governments can continue spending on subsidies, salaries, and infrastructure even with a decrease in hydrocarbon revenues. For instance, it is noted by Saudi officials that despite OPEC cuts in production, their non-oil GDP is expected to grow by ~3.6% annually until 2027 (World Bank 2025). This will increase public confidence. Moreover, high-end sectors such as finance, technology, and tourism will increase GDP per capita, making it possible for governments to spend on defense and welfare. Without diversification, there is a possibility of increasing fiscal deficits. Hence, it can be noted that diversification is a national security imperative (World Bank 2025).
- **Political Security:** Gulf rulers have historically managed legitimacy through patronage funded by oil. As oil's role shrinks, they must cultivate new sources of political support. Diversification policies often include social components (better healthcare, education, entrepreneurship opportunities) meant to satisfy rising aspirations among citizens (Government Communications Office 2024). For instance, Saudi Arabia actively publicizes female and youth empowerment under Vision 2030 as a way to placate demands for modernization (Saudi Ministry of Tourism 2016). The logic is that an unemployed, disenfranchised youth cohort could destabilize regimes; hence creating private-sector jobs is as much a security imperative as an economic one. Similarly, Qatar's Vision explicitly targets high living standards (health, environment, employment) to secure its populace (Al-Hitmi 2018). In short, governments are treating citizens' socio-economic welfare as part of their security calculus, effectively internalizing what was once done via external spending of oil rents.
- **Military & Strategic Security:** All three states are concurrently strengthening their defense and foreign policies, and diversification feeds into this. Saudi and UAE, for example, are increasing indigenous arms production (to reduce foreign reliance) and forming strategic partnerships beyond the U.S. The Saudi investment in AI infrastructure (fuelled by Vision funds) is explicitly justified as creating a new global lever to ensure U.S. security commitment (Zalayat 2026). Likewise, Gulf investments in cybersecurity and space (e.g. UAE's Mars mission) are aimed at giving the states a voice in critical frontier domains. Notably, these moves often dovetail with their diversification strategies: funds saved from de-emphasizing oil, or gained through new industries, are ploughed into advanced military tech. The overall effect is a *rebalancing* of security priorities: less dependence on outside guarantors and more on homegrown economic-strategic capabilities.
- **Regional/Geopolitical Effects:** Economic diversification also alters regional dynamics. Gulf states are now significant exporters of capital and technology to the Global South (Africa, Asia), extending their influence via investment tied to their new sectors. For example, Qatar's gas and the UAE's ports and airlines tie them to energy and trade security networks worldwide. This gives them leverage (soft power) but also draws them into broader geopolitical contests (e.g. rivalry for regional influence with Iran; alignment shifts with great powers). A diversified economy can thus simultaneously insulate and entangle a state: insulating by providing flexibility to pivot partnerships, but entangling by making the state a node in complex global supply chains.

These broad implications must be weighed against constraints. Our sources highlight critical risks: entrenched elites often resist meaningful change, reform timelines slip, and segments of society may feel "left behind" by top-down visions (Ulrichsen 2014; Zafar and Ali 2025). For example, subsidy cuts in Saudi Arabia prompted some discontent, requiring compensatory wage grants. Similarly, Qatar's reliance on expatriate labour exposes it to shocks (as seen when the blockade halted food imports and Qatar hastily built greenhouses and new trade routes). There are also novel security challenges accompanying diversification: economic openness can bring greater exposure to cyberattacks, financial risks, and pandemic threats (Soubrier 2020). Gulf security planners recognize this: in 2020 AGSI noted the pandemic "confirmed what has been increasingly apparent" that Gulf security must encompass human security issues like public health and food security (Soubrier 2020). In conclusion, while diversification improves resilience, it also makes Gulf governments tackle more security concerns, many of them being civil, economic, and environmental in nature.

The economic transformation of the Gulf countries under vision statements reflects a larger redefinition of security priorities, as indicated in Table 1.

Table 1: Vision-Driven Economic Diversification and National Security Reconfiguration in Gulf States

Country	Vision Framework	Key Economic Diversification Sectors	Security Reconfiguration Dimensions	Strategic Outcomes
Saudi Arabia	Vision 2030	Tourism, renewable energy, logistics, entertainment, mining	Reduced oil dependency, enhanced regime legitimacy, internal stability through employment generation	Strengthened economic resilience; reduced fiscal vulnerability; social stabilization
UAE	Vision 2021 / Centennial 2071	Finance, aviation, AI, digital economy, space sector	Technological security, economic resilience, global positioning as innovation hub	Diversified GDP; enhanced global influence; resilience against oil shocks
Qatar	National Vision 2030	LNG expansion, finance, education, sports economy	Strategic autonomy, soft power (sports diplomacy), economic insulation	Increased geopolitical leverage; global visibility; economic stability
Oman	Vision 2040	Logistics, fisheries, mining, tourism	Employment-driven stability, fiscal sustainability, reduced rentier pressures	Mitigation of social unrest risks; gradual economic transition
Bahrain	Economic Vision 2030	Financial services, fintech, tourism, manufacturing	Financial security, private-sector-led stability, reduced oil reliance	Enhanced economic competitiveness; improved fiscal sustainability
Kuwait	Vision 2035 (New Kuwait)	Infrastructure, finance, logistics	Slow diversification affecting security adaptation; continued oil reliance risks	Partial diversification; persistent structural vulnerabilities

Source: Author's compilation based on secondary data from peer-reviewed literature on GCC economic diversification, national visions, and security transformation

DISCUSSION

Risks, Constraints, and Geopolitical Effects

Although Gulf visions have made progress, significant constraints remain. Crucially, *political economy* factors limit reform speed. As Ulrichsen notes, reforms like subsidy removal are politically sensitive because the rentier state's stability depends on maintaining the social contract (Ulrichsen 2014). If governments push too fast, they risk social backlash or elite pushback (e.g. from beneficiaries of the status quo). Empirical studies confirm these limits: one analysis finds that bureaucratic inefficiency and weak governance often hinder diversification (necessitating "governance reforms" alongside investment) (Zafar and Ali 2025). Skilled labour shortages are another challenge; for all their wealth, GCC nations must import talent to staff new industries, which may clash with localization goals. Managing the foreign workforce while ensuring jobs for nationals is a delicate balancing act.

Environmental and resource constraints also loom as security issues. Water scarcity, extreme heat, and food dependency pose chronic security risks in the Gulf. Vision statements often address these issues (for example, "Environmental Balance" is a pillar of the Qatar Vision statements (Al-Hitmi 2018)), but diversification per se does not address them. For example, increasing energy-intensive industries (for example, data centres, aluminium smelters) might increase water/electricity scarcity, unless sustainability strategies are implemented. Climate change introduces a new geopolitical dynamic: as peak oil demand eventually occurs, Gulf State strategies will depend on their ability to transition to new industries. The two security challenges are funding the current citizenry's welfare and preparing for a post-carbon world.

Regionally, diversification alters alliances and rivalries. Traditionally, Gulf security was anchored in the U.S. security umbrella. Today, diversification often goes hand-in-hand with diversifying partners. Examples of this trend can be seen in the economic relations between Saudi Arabia and China, Qatar's relations with Turkey and Iran during the blockade, as well as the Abraham Accords between the UAE and Israel. This has given rise to new security issues such as the implications of Chinese investments in Gulf infrastructure, as well as the reverse. While broadening partnerships can enhance autonomy, it also introduces competition: Gulf states now compete amongst themselves (and with outsiders) for investment and influence in new spheres (technology, finance, energy transition). The literature points out that this "geoeconomic diversification" has mixed security effects (Procopio and Čok 2025; Zalayat 2026). On one hand, it may deter external aggression (multiple patrons), on the other hand it can embroil the Gulf in external conflicts (e.g. proxy tussles spilling into economic realms).

In brief, the transition of the Gulf towards 'development as security' is a process in a complex context. Diversification is a source of strength, but so is managing the new fault lines created. The literature on Gulf development highlights the importance of coordination in achieving diversification, which implies that fiscal, educational, and institutional policies need to work in a mutually reinforcing way (World Bank 2025;

Zafar and Ali 2025). Otherwise, they risk destabilizing what they are supposed to protect.

CONCLUSION

Gulf states are actively redefining national security by embedding development into their strategic paradigm. Saudi Arabia, the UAE, and Qatar have each launched far-reaching Vision plans that make economic diversification a core component of security strategy. Our analysis shows that these plans are reshaping the Gulf's political economies: non-oil sectors are growing rapidly, new industries are emerging, and state narratives increasingly tie prosperity to stability (Narayanan 2025; Zalayat 2026). In this sense, development is being "securitized" governments justify reforms on the grounds of preserving the nation's future security.

This notion of integrating security and development has created positive outcomes in economic and social welfare for the countries of the region. But it also has its own pros and cons, as shown by Bahrain, which has been a leader in the region's economic diversification (Ozyavuz and Schmid 2015). The Gulf experience has shown that economic diversification cannot be seen as a second thought in the context of security, and it has to be undertaken in parallel with good governance and social welfare as well.

For policy-makers, the Gulf case offers both a model and a cautionary tale. The model: treating economic modernization as part of a holistic security strategy can motivate and legitimize difficult reforms. The caution: reliance on state-driven visions can overlook citizen agency and global interdependencies. In the final analysis, Gulf leaders and the international community must see economic diversification as a continuous process, not a static condition, and one in which the entire community must be on board. Successfully executed, the Gulf's economic makeover could indeed be a source of stability, but failing that, it could make the problem worse.

Policy Recommendations

- **Deepen Human-Capital Investment.** Continuing to build on education and workforce development initiatives, in line with the new industries, would be beneficial to the ongoing push for high-tech diversification, as the Vision statements of Saudi Arabia and the digital strategies of Qatar have clearly demonstrated (Zalayat 2026). There is a need to place a special emphasis on the integration of youth and women, as they have the potential to contribute to social stability.
- **Expand Public-Private Partnerships.** Strengthen collaboration between governments and private investors, including SWFs, to mobilize capital and expertise. Implementing various types of regulatory reforms, such as ease of doing business, intellectual property rights, etc., as well as piloting initiatives, such as smart cities, can help to attract advanced industries. The experience of Saudi Arabia's PIF and UAE's free zones demonstrates that investing in critical sectors, such as technology, renewable energy, and healthcare, can provide security dividends.
- **Enhance Social Safety Nets.** In order to mitigate the effects of reforms, it is necessary to sustain welfare policies for vulnerable social groups. For example, support for low-income families through income support policies in gasoline price reforms in Gulf countries allowed for a smooth acceptance of reforms by Gulf citizens. The investment of oil revenues in pension funds or unemployment insurance can also help sustain social peace.
- **Coordinate Regional Integration.** Economic and security cooperation among the Gulf countries should be strengthened. The creation of a regional trade customs union, a digital infrastructure, or a unified energy grid would help to spread the gains from economic diversification across the GCC. Joint research programs, such as the Gulf science programs, would enhance the resilience of the countries. Politically, presenting a united vision, such as a vision for adapting to climate change, would enhance the security of the countries.
- **Maintain Open International Engagement.** Despite this diversification, the global partnership for technology and security should still be leveraged. Partnerships with Western countries, including the U.S. and European countries, should still be considered, especially in matters of defense and technology. At the same time, partnerships with Asian and other world powers, such as China, India, and Japan, can be enhanced through economic diplomacy. International institutions such as the WTO and UNDP can be engaged in order to access the best practices in governance and sustainability.
- **Prioritize Human Security Concerns.** Understand that non-military threats like pandemics, food and water insecurity, and extremism are the top priority. Gulf countries can include health infrastructure, climate change, and the fight against terrorism in their plans for the economy. For instance, investing in agricultural technology, as the UAE is doing, has the opportunity to directly tackle the issue of food security, which is a key dimension of human security. Moreover, the security of the data and cyber space in their growing economies is another key issue.

These policies have provided the Gulf countries with the opportunity to strengthen the positive relationship between development and security. Economic diversification, social inclusion, and cooperation have the potential to redefine security in the Gulf in the 21st century.

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