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The Future of Energy in The Middle East Through Re-Regionalization in The Borders

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A B S T R A C T

As a result of the discovery of enormous oil reserves in the Arab Gulf area, the Middle East has become the central location for the extension and development of Western pipeline technology. In contrast to the limitless world depicted in certain stories of globalization, the creation of strong political boundaries directly under the supervision of national governments for pipeline deployment with few border crossings has been witnessed since 1956. In the Middle East, this low permeability of borders posed fewer hazards than the uncertainties stemming from having to pass many nations; hence, the sovereign state seemed to be the optimal container for oil transit. The conclusion proposes the notion of re-territorialization as an explanation for the multi-level changes that have occurred, including transformations in geography, commercial structures, and international relations.

Keywords: Globalization, Borders, Middle East, Oil Economy.

INTRODUCTION

Globalization encompasses the concept of transnational interconnection and, in particular, the rise in cross-border movements of products, people, and money that are embedded in densified networks of telecommunications. Some academics have correlated this tendency with a drive toward a borderless, post-national world in which the national state is in retreat, severing the link between relevant cultures and places with negative repercussions for national boundaries and local identities(Ohmae, 1990; Strange, 1996). Ultimately, this strategy is founded on the notion that the globe is becoming one location. Given the erosion of boundaries delineating the interior from the exterior, globalization is also equated to a form of deterritorialization, which is a reconfiguration in which spatial considerations are no longer significant because space is not mapped in terms of territorial places or territorial borders. In the end, a world without borders threatens the cultural identity of the place, paving the way for "the death of geography" (O'brien, 1992).

Nonetheless, three schools of thought have cast doubt on such an all-encompassing interpretation of globalization: the first argues that the current level of international linkages in terms of trade, investment, and migration falls short of previous historical periods and reasonable benchmark standards. Regarding the evaluation of actual facts, there is little indication that the

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nation-state is retreating(Hirst, Thompson, & Bromley, 2015). The relationship between globalization and deterritorialization is called into doubt by a second school of thought. According to Cox (1997), "the rising globalization of markets is often a prerequisite for the territorialization of production activities around place-specific production potentials that provide some protection from the forces of global competition." The reliance of supply chains on difficult-to-replace inputs may compel multinational corporations to enhance their place-specific ties. Therefore, this approach acknowledges the interpenetration of global and local levels as two sides of the same coin, paving the way for the idea of glocalization(Holton, 2017). Thirdly, and lastly, another trend highlights how the acceleration of linkages exhibits a very unequal pattern, keeping many countries and enclaves outside of globalization: if globalization exists, it is a western-dominated phenomena rather than a universal miracle(Mittelman, 1996). This study is based on the last critical viewpoint of "gaps in the global mosaic" (Mittelman, 1996)(p 18).

Departing from oil transportation in the Middle East, this demonstrates how the persistence of political, strategic, and military instability has resulted in the geographical displacement of pipelines, reflecting an extension of state-centered territorial sovereignty and compelling nation-states to act as containers. This tendency contradicts the borderless view mentioned before. Instead of ceding state sovereignty over the territorial strips of land where pipelines were laid in favor of globalized foreign oil companies and foreign governmental control (as was the case during the colonial period), beginning in 1955 we may observe the emergence of hard political borders directly under the supervision of national governments with minimal border crossings. As globalization is a multidimensional concept, we will discuss two of its consequences: on the one hand, the changes in the relationships between territoriality and/or geography, institutions, and social structures, as well as the appearance of a world without borders, interwoven with seamless flows of goods, services, ideas, technologies, cultural forms, and organizational forms; and, on the other hand, the retreat of national states so that both their autarky and territorial integrity are threatened(Anderson, O'Dowd, & Wilson, 2003; Strange, 1996).

This research, on the other hand, reveals how, in the Middle East, pipelines were constrained and constructed inside national boundaries as their ownership shifted from multinational companies to national nations. What may account for these deglobalizing effects? Historical research of the driving dynamics (or "transnational practices") behind deglobalization (Sklair, 2002) identifies political instability and vertical fragmentation as the primary causes.

The uncertainties generated by Israel-Arab conflicts and the rise of Arab nationalism increased the risks of transit countries and the stability of borders, thereby increasing the costs of pipeline routes, while the trend toward the appropriation of natural resources by Arab and Persian states dampened the interest of foreign multinational corporations in the ownership of energy infrastructures(Claes, 2018; Garavini, 2019). The collapse of the Metline project, which envisioned a large link spanning from Iran through Iraq to the Levantine coast, illustrates the retreat of global multinational corporations.

In the end, the notion of re-territorialization is introduced to describe the multifaceted changes that have occurred, including transformations in geography, commercial structures, and international relations.

THE SUEZ CRISIS: A TURNING POINT

The worldwide Suez crisis of 1956 was a turning point in the development of pipelines in the Middle East. In response to the Israeli, French, and British attack on Egypt, Egyptian President Gamal Abdel Nasser decided to block the Suez Canal and sink an Egyptian ship carrying cement and scrap iron almost halfway through the 103-mile-long canal. At the same time, Syria damaged

Iraqi pipelines (from Kirkuk to Haifa in Palestine and to Tripoli in Lebanon), cutting off the flow of oil to the Mediterranean. These routes halted transporting around 2,1 million barrels per day, largely bound for European markets. Unaffected was just Tapline's pipeline from Saudi Arabia to Lebanon.

Due to the closure of the Suez Canal from October 1956 to March 1957, most Middle Eastern tankers were redirected around Africa through the Cape of Good Hope. Due to the much greater distances and delivery periods, a tanker using the Cape Route could carry only around 60 percent of the oil transported via the Suez Canal over any lengthy period of time. Even though a portion of this supply gap was mitigated by the use of alternative petroleum sources from the Western Hemisphere, widespread shortages impacted the major consuming nations, such as the United Kingdom, France, Italy, and Denmark, while smaller European nations were forced to make above-average cuts (the Netherlands, Portugal, Greece, and Sweden). This clearly supported any speculation on when it would be appropriate to restart all pipeline projects in the pipeline. During 1957 discussions between the major British, American, and French oil firms, six competing pipeline proposals were discussed:

1. Metline scheme – from the Arab gulf to the Mediterranean via Iraq and Turkey.
2. Israel scheme – a pipeline from Eilat to Haifa.
3. Bechtel 1 – a line parallel to the Suez Canal.
4. Onassis - a line parallel to the Suez Canal.
5. Bechtel 2 – a line across Egypt to in the vicinity of Alexandria.
6. United Nations strip scheme – a line through neutral territory to be established between Israel and Egypt.

In response to the 1956 shortages, these new pipeline developments were of a different kind. Common carriage, diminishing asset specificity, and political instrumentality have become the most important corporate characteristics. Regarding the strategic objectives, we can identify four distinct facets: firstly, the intertwining of different countries in the common carriage of oil from the Arab gulf to the Mediterranean in order to smooth out the ongoing rivalry between production growth in Iraq and Iran(1); secondly, the attempt to overcome the boycott of Israel by Arab oil producing nations and strengthen the security of the former country's supply from Persia (2); thirdly, the strengthening of the relationship between the United States and the European Union (3); and fourthly, the (6).

For successful economic planning, oil transportation scenarios assumed normal circumstances, i.e., open circulation via the Suez Canal, notwithstanding the need of urgency. This must also take into consideration how the Suez Canal Company was preparing itself to endure the changing economic circumstances in the meantime. Prior to the worldwide crisis, the business had already begun its eighth development program to further deepen the canal and offer safe passage for ships with a 37-foot draft and the ability to transit 18,000 ships per year, each carrying over 40,000 tons of oil. Subsequently, in the first half of 1956, the business began drawing the framework for its ninth development works program, which aimed to increase its transportation capacity by expanding the two-way traffic portions and deepening the canal to 49 feet. In an effort to make up for lost time, this initiative designated the 40,000-42,000 dwt cost-effective tanker as the standard competitor versus pipelines. Under these conditions, further precise cost accounting of the various choices caused worry among those planning new projects. Table 2 indicates that, despite the fact that pipelines were able to deliver oil at about half the operational costs of tanker transportation across the Suez Canal, they did not yield any capital cost savings. The most apparent aspect of the accounting sheet, however, was the excessive cost of shipping around the

Cape of Good Hope, which highlighted the necessity for further options in the case of the Suez Canal's closure.

Table 1. Comparison of three alternative routes for transporting Middle East oil to North West Europe, 1956*

	Via Suez	Via Pipelines	Via Cape
Capital cost (for 50 million tons capacity)			
Tankers	£ 420 m.	£ 200 m.	£ 630 m.
Pipelines		£ 225 m.	
Capital cost	£ 420 m.	£ 425 m.	£ 630 m.
(per million tons)	£ 8.4 m.	£ 8.5 m.	£ 12.6 m.
Operating cost (per ton)			
Tankers	44/9d	20/4 d	58/2d
Pipelines		28/	

* In million pounds. Based upon a delivery of 50 million tons of oil using 42,000 dwt tankers.
Sources: British Petroleum, Suez Canal Working Party conclusions, August 1956, Suez Canal Pipeline schemes, BPA BOX 9194, Modern Records Centre, Warwick University - UK.

According to strict economic reasoning, there were but small benefits from opening more land-based alternatives to shipping through the Suez Canal. This same view was furthermore aired by the companies BP and Shell in their consultations with the British Ministry of Fuel: “on the assumption that the oil industry does not finance Canal development and that 40,000 deadweight tons are used, there appears to be some advantage to the oil industry in using a new or enlarged Canal in preference certainly to the Cape Route and possibly to pipelines to the Eastern Mediterranean”[†].

With the absence of any clear-cut economic explanation, one is compelled to look at the security of supply and strategic objectives as the key drivers behind the resurgence of pipeline projects in the aftermath of the Suez crisis. The ensuing pages present what was at stake within this framework.

PIPELINES: WAR BY OTHER MEANS

Already on the table for over a decade, the Kuwait/Iran pipeline to Turkey was the most ambitious proposal to emerge in the aftermath of the Suez Crisis. This necessitated transforming the Iraq concessionary pipeline (IPC) into the backbone of a direct connection between the Arab gulf and the Mediterranean. The project was defined as "multi-company lines to carry Kuwait/Iran oil via Iraq" in order to accommodate numerous consumers and multiple concessions.

Certainly, common transport required less asset-specific expenditures, a project trait that would become operationally more apparent as a result of the need to handle distinct products, namely light Kuwaiti and heavy Iranian crudes without mixing. Initial plans envisioned connecting the transportation of oil from Kuwait and Iran to the main IPC pipeline and branching out with a new direct path through northern Iraq to the Turkish terminal in Iskenderun. This project, dubbed Metline, had many purposes: first, it created a connection between the exploration of the latecomer southern Iraqi oilfields of Rumalia and Zubair, as well as incentives for the adjacent concessions of Burgan (Kuwait) and Agha Jari (Iran). By using a single carrier, the transportation expenses from these various oilfields would be borne by all parties, while new export markets in Europe, through the Mediterranean, for Iranian crude may offset the increase in Iraq's share of Middle Eastern petroleum. The proposed equilibrium rule for the Metline project stated that "foreign

[†] Shell and BP, Problems in the future movement westward of Middle East oil, 14 September 1956, Suez Canal Pipeline schemes, BPA BOX 9194, Modern Records Centre, Warwick University - UK.

crudes traversing Iraq should equal Iraqi crudes." In the meanwhile, the northern and southern Iraq pipeline networks would become a complicated yet interconnected system.

The second strategic objective addressed the deterioration of ties with transit nations, which had a turbulent history of advancement and reversal. Tapline, the network constructed in 1950 to transport oil to the Mediterranean, spanned 1,068 miles along the northern border of Saudi Arabia and had to pass Transjordan, Syria, and Lebanon to reach the Levantine Coast. Whereas negotiations with the Transjordan and Lebanese governments for transit fees proved straightforward, Syrian factions and the Syrian government demanded such extensive economic benefits that the proposed pipeline route stalled, triggering a diplomatic crisis between Syria and Lebanon as well as Syria and the United States(Osoegawa, 2013; Shwadran, 1985)(p-p, 332-335). In March 1949, Colonel Husni Zaim's coup d'état was the only thing that ultimately resolved the problem(Wilford, 2013). In November 1950, the first oil thus finally reached Sidon. However, this would not be the last instance of this kind. Reflecting on the ensuing interdependencies, Stevens (2000b), contends that the track record of transit pipelines in the Middle East was typically dismal and often sowed doubt about the future of the whole industry. From the perspective of oil concessionaires, Syria was a clear example of a "bad transit nation." Syria, which is beset by political and military instability, is fragmented by sectarian and regional factionalisms, and has sizable underprivileged minority, renegotiated agreements with the intention of obtaining a greater share of the rent connected with oil sales. After achieving considerable increases in transit fees from the Iraq-IPC pipeline in November 1955, Syria demanded that the Saudi Arabian Tapline also boost its transit prices to the same level. In 1959 and 1960, as the discussions went on for years, the Arab nation threatened to cut off the oil supply. When the radical side of the Ba'ath party regained control with the support of the Soviet Union, Syria switched its stance once again, initiating a new era of friction with demands for greater hikes in the Saudi Arabian pipeline's transit costs. The nation unilaterally increased the transit costs payable to the other transportation network – the IPC – as a result of inconclusive discussions (1966). Overall, transportation expenses as a percentage of the overall cost of petroleum climbed significantly (Table 2). The transportation of oil contributed significantly to the expansion of Middle Eastern oil-related interests geographically. In 1950, Lebanon, Syria, Jordan, and Egypt received just 4% of the payments made by European and American concessionaires to Middle Eastern governments. Ten years later, this share increased to 10%. (Table 2).

Table 2. Direct payments by petroleum companies to Middle East governments and revenue from oil transport

Direct petroleum company payments to governments

Year	Iran	Iraq	Kuwait	Saudi Arabia	Qatar	Bahrain	Total direct payments
1950	91	19	12	113	1	2	238
1951	50	43	18	165	4	3	283
1952	0	116	57	212	10	4	399
1953	0	162	169	226	18	5	580
1954	9	192	194	281	29	11	716
1955	91	207	282	275	34	9	898
1956	153	194	293	283	36	10	969
1957	213	137	308	303	45	10	1016
1958	272	224	354	302	60	12	1224
1959	262	243	409	294	53	13	1274
1960	285	267	409	332	54	13	1360
1961	290	265	454	378	53.2	0	1440

Revenue from oil transport						
Year	Lebanon	Syria	Jordan	Egypt (Suez Canal)	Total oil transport	Oil transport/ Direct payments
1950	0.1	0.4	0.3	9.5	10.3	0.04
1951	0.3	0.6	0.6	11.5	13	0.05
1952	1.4	0.7	1.4	10.6	14.1	0.04
1953	0.7	3.6	1	10.1	15.4	0.03
1954	1.1	2.2	1	12.9	17.2	0.02
1955	2.4	2.9	1	17.6	23.9	0.03
1956	1.4	15.8	1	0	18.2	0.02
Continuation						
1957	1.4	9.1	1	48	59.5	0.06
1958	1.4	15.5	1	84.1	102	0.08
1959	7.4	23.8	1	87	119.2	0.09
1960	13.3	26.7	1	101	142	0.10
1961	4.1	25.6	10	102	141.7	0.10

Sources: Report Government revenues and the prices of oil in the Middle East, 28 September 1962, Department of State, Bureau of Economic Affairs, Box 41, NARA, Washington; United Nations, “Economic Developments in the Middle East, 1959-1961: Supplement to World Economic Survey” (United Nations, New York, 1962).

Syria opted to cut Iraq's pipeline in direct retribution for an Israeli raid on a Jordanian hamlet named Samu' that harbored Palestinian guerrilla fighters supplied by Syria, therefore advancing the Arab deployment of the oil weapon(John Vincent Bowlus, 2013; Oren, 2003). Oil delivery to Western nations and Israeli diplomacy become entangled in the same debate. Consequently, Syria intended to keep the IPC pipeline purposely closed between December 1966 and March 1967(Stevens, 2000a). Through a pipeline diverging to a Turkish port, oil corporations were able to find an alternative that reduced their reliance on Arab states. To put it in concessionary terms: "It may be simpler to reach a modus vivendi with Syria and Lebanon if there were an alternate outlet to the Mediterranean just outside of their borders." This branch's potential to serve as an alternate terminal port might serve as a deterrent to Syrian demands.

However, this escape path from the previously established dependency was not well received by many Arab public opinion streams. The Metline contradicted the pan-Arab position that pipelines conveying Arab oil must always be transported from Arab ports. In addition, the primary trunk line from the Arab Gulf to the Mediterranean would pass through the lands of two members of the Baghdad Pact, an association with the former British colonial authority that is opposed by pan-Arabic advocates. Therefore, it is not surprising that although Nuri al-Said and other Iraqi conservative politicians supported the Metline project, Arab nationalists fiercely opposed it. Saudi Arabia's Director-General of Petroleum and Mineral Affairs, Abdullah Tariki, was the most prominent proponent of pipelines as tools for redistribution and mutual Arab growth(Duguid, 1970; Vitalis, 2009)(pp, 213-222) The oil riches should benefit the Arab peoples as a whole, and transit fees seemed to be an appropriate method for transferring cash to non-oil-producing governments. From a pan-Arab perspective without borders, the transit charge represented Arab economic convergence and solidarity between oil-producing governments and resource-poor countries. Therefore, it was not surprising that Tariki fiercely sided with "Arab claims" during discussions between Syrian and Tapline officials and defended increased transit fees. In fact, in the view of the United States, the Saudi petroleum director often looked to be the greatest hurdle to transit arrangements.

The driving force behind Metline was a coalition of multinational corporations headed by the British BP and Shell businesses with their 56 percent share of the oil to be transported.

Nonetheless, the entry of independent corporations interested in pipeline investment appeared as an unexpected new development in this worldwide partnership (American Independent Oil Company; Atlantic Refining Company; Getty Oil Company; Hancock Oil Company; Richfield Oil Corporation; San Jacinto Petroleum Corporation; Signal Oil and Gas Company; Tidewater Oil Company). On the diplomatic front, the British government quickly backed the proposal, although the U.S. State Department remained especially worried about the potential attrition it may create. John Vincent Bowlus (2013), contends that Western backing for Metline was at most lukewarm and constantly weighed the possibility of Arab retaliation.

By 1958, the commitment of certain firms to invest in Metline was starting to waver. However, the final blow to the Iraqi-Turkish pipeline was the IPC's decision to resume another alternative for expanding the southern Iraqi oilfields: instead of opting for the connection between the Rumalia and Zubair production zones and the Mediterranean via a major pipeline running across Iraq and Turkey, the IPC returned to a plan to transport oil to the southern tip of the al-Faw Peninsula and then deliver it via an undersea pipeline to Khor al-Anbiya. Nonetheless, the Turkish link would reappear years later in a new context as a result of the political and economic rapprochement between Iraq and Turkey, which paved the way for the joint 1972 pledge to construct an oil pipeline from Kirkuk to Ceyhan in southern Turkey. The Kirkuk–Ceyhan Pipeline anchored an energy collaboration between the Iraq National Oil Company (INOC), which was established to exploit the nationalized concessions, and the independent Turkish oil market, which had also grown with nationalization, from 1978 to 1990 and from 1996 to 2003(John V Bowlus, 2017).

While the original plan called for the building of a transnational common carrier for the distribution of Arab oil across the Mediterranean area, the pipeline that went into service represented the development of a national carrier into a nearby consumer market. Despite this reduction, the original high aspirations and goals for Middle East investment were focused on Metline. Its abandonment in 1958 shifted these hopes and objectives to other projects.

The military and political conclusion of the Suez crisis had a significant impact on the development of the Israel pipeline concept. During preparations for the coordinated French, British, and Israeli attack on Egypt, Ben-Gurion, the Prime Minister and Minister of Defense of the Jewish state, told his allies: "For us, the Suez [Canal] is not so important; our Suez [is] the Straits of Eilat, and we want to take the coast of Eilat to the islands in the south, including the islands themselves." Simultaneously, the prime minister drew out preliminary designs for a pipeline from Eilat to Israeli ports on the Mediterranean (Ben-Gurion 1990, 226-232) The reopening of the Straits of Tiran to Israeli shipping meant that the Jewish state could now use its southernmost outpost (Eilat) to ensure free passage into the Red Sea and receive tankers from the Arab gulf(Bishku, 1990). Israel has suffered for years with the Arab oil embargo and the resulting necessity to pay a premium for crude oil transported from Venezuela and Russia. The freedom of shipping obtained following the Suez crisis lent validity to the belief that the recent business link with Iran would be able to alleviate Israel's energy security problems.

Multiple agreements reached with the National Iranian Oil Company reaffirmed the route Persian Sea – Gulf of Aden – Red Sea – Strait of Tiran – Gulf of Aqaba – Eilat as the most promising way of assuring Israel's oil supply. This presented a chance for the Iranian firm to establish itself as a vendor on foreign marketplaces. All conditions seemed favorable for a new pipeline project in the Middle East. Moreover, the difficulties Israel was experiencing at the end of 1956, combined with the necessity to keep the Haifa refinery operational, compelled the government to expedite the procedure and improvise a "trial pipeline" using tubes, pumping equipment, and oil tanks acquired during the Sinai invasion. For the time being, more ambitious

ambitions were shelved. The choice to establish a pipeline with a modest diameter (8" in diameter, capable of transporting around 10-12,000 barrels per day and shortly to be increased to 16,000) was likely the result of a careful, measured approach. All participants to the transaction recognized the advantages of keeping the transaction hidden from the Arab press and diplomatic reports. Indeed, the flow via eight-inch tubes might be concealed with more ease(Bialer, 1998, 2007).

However, plans for the bigger pipeline remained on the table in the meantime. In the 1960s, it was predicted that the Suez Canal would soon be unable to fulfill tanker shipping demands, and reviving this project was surrounded by a halo of riches and economic creation. From 1965 through 1968, high-level discussions between Israeli and Iranian ministers and diplomats dragged on. Finally, in December 1969, the first oil flowed through the new 42-inch pipeline, which was capable of transporting 50 million tons of oil annually. Israel and Iran participated equally in the financial risks(Bialer, 2007). What began as a last-ditch effort to keep Jewish motors and power flowing has turned into a scheme with the potential to make Israel a significant participant in the oil market. The 1978 overthrow of the Shah and the establishment of the revolutionary Islamic Republic of Iran brought a fast stop to this endeavor. As a result of the severing of all political and economic relations, the Eilat-Ashkelon oil pipeline was doomed.

Even before the Suez crisis, Egypt attempted to increase its share of the oil transportation market by constructing an alternative to the canal: a pipeline. Immediately after the Israeli-backed attack, a more aggressive approach was taken to halt Israel's incursions into oil shipments. Coincidentally, the president of Egypt, Gamal Nasser, quickly discovered numerous companies interested in constructing an Egyptian pipeline. Aristotle Onassis, the owner of the biggest private shipping fleet, contacted the Egyptian government with a plan to construct a 120-mile-long pipeline with a capacity of 500,000 barrels per day that would run parallel to the Suez Canal. Onassis pursued a strategy of merging pipelines and tanker ships to bolster his position in the oil industry. Since the discussions with Onassis reached a stalemate, Nasser sought to restart the project by enlisting the assistance of oil magnate Paul Getty and the Tidewater Company. Simultaneously, Bechtel International Corporation, an American enterprise that had just laid the huge Tapline oil conduits in Saudi Arabia, joined the sector. In reality, Bechtel International presented the Egyptian government with two different paths. Similar to the Onassis plan, the first (henceforth referred to as Bechtel 1) departed from an unloading port in the Gulf of Suez, ran parallel to the Canal along its eastern bank, and terminated 20 miles east of Port Said. The second (called Bechtel 2) was intended for the other side of the Canal, from a Suez Gulf unloading port through the Eastern Desert to an inflection point 25 miles south of Cairo, and then across the Western Desert to a deep sea terminal next to Alexandria.

Without question, many eyes were on Egypt, and for good cause. Politically, a further oil transportation infrastructure would tend to bolster Egypt's earnings in the continuing Middle East boom, so reinforcing its primacy in the leadership of the Arab world and counteracting Israel's advances in petroleum transportation and distribution. From a business perspective, the decision to turn to the Gulf of Suez rather than the Suez Canal demonstrated remarkable entrepreneurial insight. Key participants in the maritime industry, like as Onassis, had already caught on to the trend of building ever-larger tankers to promote transportation economies of scale. By 1956, it was evident that the Canal Company's efforts to deepen and extend the Suez Canal could not keep up with the rate of tanker capacity improvement. Consequently, it would be possible to ship these mega tankers to a deep sea port in the Gulf of Suez, dump the oil into a pipeline, and then reload it at a deep sea port in the Mediterranean. This combination of supertanker, pipeline, and supertanker would optimize the efficiency of both maritime and inland oil delivery.

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RETERRITORIALIZATION: THE NEW POLITICAL ECONOMY (CONCLUSION)

As a result of the discovery of enormous oil reserves in the Middle East, the area has become a leader in the advancement of pipeline technology. The objective of all of these large-scale endeavors was to get oil from inland areas to the Mediterranean.

With two main routes for inland oil transport concurrently created around the Iraq and Saudi Arabia concessions, pipelines might increase the Middle East's transport cost advantage over the United States (U.S. and Venezuela) (Painter, 1984, 2009). However, in this new natural habitat, the tubes were often required to traverse vast swaths of uninhabited territory. The urbanization of the desert, or the overpopulation of the pipeline corridor with telecommunications, road and aerial links, as well as services and commodities, has evolved as a commercial strategy able to circumvent pipeline maintenance and security issues in arid regions (Cruz 1964).

The Suez Crisis of 1956 was a turning point in all aspects of oil transportation. The startling realization that Europe had grown reliant on the Middle East and the prolonged shortage of supplies intensified the search for alternatives to the potential closing of the Suez Canal. During this exciting era, six major pipeline construction projects were completed. The post-Suez Crisis investment road plan would be vigorously followed over the subsequent three decades. In contrast to the examples of Iraq and Saudi Arabia, these pipeline projects currently seem to be unrelated to the intentions for oil concessions. Western multinational corporations had grown cognizant of the dangers posed by pipelines that traversed many nations. Such interconnection, with its components physically linked to one another, also led to the deployment of pipelines in a fictitious Arab region devoid of borders.

Much of the internal and international policies looked to be strongly tied to a common Arab cause, with each component of the network obligated to act in defense of Arab unity, whether it was against Israel, states backing Israel, or Western colonial powers. As a consequence, international oil firms were left very vulnerable: firstly, owing to the arrangement of pipeline corridors and seaport terminals; secondly, due to the demands of transit countries; and lastly, due to the sabotage or destruction of network linkages. In the end, the borderless Arab perspective of pipelines gave way to a pan-Arab notion (Arab oil should be loaded at Arab ports), which was first accepted by Abdullah Tariki, the Director-General of Petroleum and Mineral Affairs of Saudi Arabia, and then by the Economic Council of the Arab League.

Given the Middle Eastern geography, there were five nations able to host Mediterranean pipeline terminal harbors: Turkey, Syria, Lebanon, Israel, and Egypt. Furthermore, despite their initial geological prospects, not one of these nations turned out to be a significant oil producer. Syria and Lebanon were chosen as the Mediterranean oil export terminals for the first generation

of concessionary pipelines largely on the grounds of expectations these regions might keep themselves out of any forthcoming conflict. Subsequently, Turkey, Israel, and Egypt were picked out as suitable terminals for post-Suez pipelines as cost-effective corridor paths were hence replaced by strategically meaningful paths. Overall, this research confirms the Suez Canal crisis represents a landmark in the events ongoing in the post-colonial Middle East.

In the post-colonial period, pipelines were reterritorialized. Re-territorialization is defined here as a multidimensional phenomenon involving changes in geography, business structure, and international relations: first, the risks of border crossings and transit countries were eliminated by the preference for sovereign pipelines, redrawing the links between the Arab Gulf and the Mediterranean through national corridors (Egypt, Israel, Iraq). It is baffling how the argument over the fictitious pan-Arab globalized oil transportation network ended up strengthening national boundaries, with low border crossings and constrained national contexts for pipeline development. In the Middle East, this modest permeability of borders posed fewer hazards than the uncertainty associated with traveling via many nations. Second, re-territorialization caused the structural transformation of the oil industry, resulting in a shift in transportation assets, which were initially an extension of private oil concessions for transporting oil from private concessionary pools, to become common carriers owned by multiple companies or states. The capital assets necessary for oil transportation are no longer drawn through private business connections intertwined via several oil concessions, but rather from an increasingly autonomous corporate sector, which has been vertically dislocated from upstream oil production. In terms of the economics of transaction costs, we may say that post-colonial pipelines reduced the asset specificity of oil investments and severed the internal links between oil industry sectors(Makholm, 2019; Williamson, 1985, 2007). Vertical disintegration was the consequence of the re-territorialization of nation-states. Two of the post-colonial pipeline instances examined in this research did not include crude oil production at either end, which is especially notable (the Egypt and Israel pipeline schemes). In addition, the general vertical disintegration would become a characteristic of the oil majors' post-1970 daptations to tremors and the loss of their most producing oil assets in the Middle East(da Silva Lopes, Lubinski, & Tworek, 2019).

Thirdly and lastly, the new pipelines were designed to avoid geopolitical impasses and geographic limitations. In other words, the physical placement of pipelines within protected corridors served as a tool for both attaining political aims and circumventing political geography. Turkey's terminal offered a method to oppose Syria's involvement in oil transportation and solidify a strategic link with Iraq; Egypt and Israel's pipelines secured the continuance of conflict via other means.

Currently, the political geography of pipelines may be undergoing yet another significant shift. According to certain commentators(Khan & Shahzad, 2021; Niu & Wu, 2021), the breakthrough in ties between the United Arab Emirates, Bahrain, and Israel, secured by the Abraham Accords of September 2020, is contingent on Saudi Arabia's consent. In actuality, the open reunion between Saudi Arabia and Israel seems to be motivated by the need to form a pseudo-alliance to oppose Iran's expanding aspirations at a time when the United States is strategically withdrawing from the Middle East. If political security is the impetus for the relationship's increasing closeness, then the complimentary benefits to the economic growth of these two nations have become a prerequisite for the expansion of bilateral cooperation. In this context, "the monarchy is already in discussion with Israel regarding a pipeline to Eilat, barely 40 kilometers distant, for the importation of natural gas. Consequently, this route might be used to transport Saudi oil to the deep port of Haifa for sale to Europe and the West(Musmar, 2019). In the aftermath of a new political and diplomatic

realignment, if these reports are true, the ancient Eilat project might once again revitalize the ties between the two Middle Eastern subsystems, the Arab Gulf and the Levant.

Moreover, the Middle East strategy enables us to incorporate additional causative components that explain the "gaps in the global mosaic" theory. Failures in the interconnections prevalent in less developed nations and the resulting formation of backward regional enclaves are not the only causes of globalization's flaws; international political instability and the looming likelihood of military conflicts may also be to blame, as they push nation-states to strengthen their sovereignty, territorialize their powers, and maximize their respective geographical potential. Under such conditions, border control trumps borderless globalization.

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