

Research Paper

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# The Gulf Divided

## The Impact of the Qatar Crisis



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## Summary

- Since June 2017, Qatar has been subject to a boycott by Saudi Arabia, the UAE, Bahrain and Egypt (the Arab Quartet). This has created a deep and lasting rift with ripple effects across the Middle East and Horn of Africa. It has also divided the Gulf Cooperation Council (GCC), hitherto one of the only functioning regional organizations in the Arab world, which has in effect been suspended because three of its members are boycotting Qatar.
- The dispute has reached a stalemate, but not the ‘mutually hurting stalemate’ often held to be necessary for a conflict to be resolved. Instead, the leaders of the countries concerned appear content to live with this new rift – and in some ways are drawing strength from it, by using a new external enemy to bolster nationalist sentiment.
- The main reason for the rift is that the countries of the Arab Quartet object to Qatar’s support for political Islamist movements across the Middle East, in particular the Muslim Brotherhood. However, the Quartet has raised the stakes with a list of 13, wide-ranging demands for Qatar to change its policies – including that Qatar should close down highly influential state-funded broadcaster, Al Jazeera. This demand has helped Qatar to contend that it is being punished for supporting pro-democracy movements and free media, rather than acknowledge that some of the Quartet’s criticisms may be justified.
- Rivalries between Gulf monarchies are not new, but this crisis has had a greater impact because of the unprecedented international reach that the Gulf monarchies now have, through their active foreign policies, trade and investment links, and sovereign wealth fund activity.
- Even if the trade embargo is resolved, deep divisions and mistrust among Gulf countries are now likely to be a long-standing feature of wider regional politics. This adds further complications to a region that is already dealing with simultaneous civil wars, mounting tensions between Iran and Saudi Arabia, and several insurgencies.
- Rather than regarding the GCC as their primary regional alliance, the Gulf countries are now pursuing new alignments. The new regional alignments will reflect shifting, issue-based coalitions rather than hard alliances, reflecting the complexity of the current regional conflicts.
- There is an international consensus that the Gulf crisis should be resolved through dialogue, but few international actors have done much to press for this goal. The US – the key external actor – has taken a confused and inconsistent approach, leading to some cynicism in the region, where there is a widespread narrative that Western powers seek to ‘divide and rule’ the Arab world, and their profits from arms sales are noted.
- This paper lays out in some detail the reasons for the dispute, and suggests some elements of a possible future resolution.

# 1. Introduction

By early 2019 the rupture within the Gulf Cooperation Council (GCC)<sup>1</sup> stemming from the boycott of Qatar by four Arab states appeared to be well entrenched as a new feature of Middle East politics. The crisis erupted in June 2017, when Saudi Arabia, the United Arab Emirates (UAE) and Bahrain – joined by Egypt – severed diplomatic, trade and transport links with Qatar, withdrew their nationals, and pulled out their investments. Qatar accused this Arab ‘Quartet’ of trying to create a run on its currency, and there has subsequently been speculation that a military confrontation was only narrowly avoided.

Qatar has been able to withstand the pressure of the boycott because of its extensive economic resources and its political alliances beyond the Gulf region. As the world’s top exporter of liquefied natural gas (LNG), it has benefited from moves by many Western and Asian countries to switch their energy sources from oil to LNG. It has used gas contracts and sovereign wealth investments to consolidate relationships with many countries around the world, and it hosts the main US airbase in the Middle East. Doha’s alliance with Turkey has deepened since the crisis began; it has strengthened its relations with Iran, too. Its links with Turkey and Iran were among the features of its foreign policy that the Quartet objected to, but by cutting off Qatar’s trade routes through Saudi Arabia the Quartet’s boycott has only pushed Qatar closer to these other players.

## The new Gulf political landscape

The rift within the GCC, which will impact the region for years to come, has brought a number of features of the Gulf political landscape to the fore.

First, it has put paid to the view, widely held since the 2011 Arab uprisings (but always questionable), that the GCC countries are exemplars of political stability in a troubled region. Rather, the current interstate dispute is fundamentally driven by – and has added to – internal insecurities within each country. The very different internal security concerns of Qatar and the UAE have prompted their respective leaders to pursue polarized, and highly active, policies towards political Islam internationally. This is the key driver of the current dispute.

Second, it has demonstrated a new and more belligerent style of politics from the new crown princes in Saudi Arabia and Abu Dhabi, who are now among the key drivers of regional dynamics. Meanwhile, the smaller GCC states that were once on the periphery of Middle East politics have over the last two decades developed unprecedented ambitions to exert greater military, political and economic influence on an ever more complex regional canvas, but with limited manpower and experience. Given their small populations and militaries, they are investing heavily in a fierce competition for international allies. For each of the six GCC monarchies, foreign policy ambitions are largely unchecked by domestic political institutions or international powers. If they worked together, they could be a much more powerful international force. Instead, they are devoting considerable energy and resources to undermining each other.

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<sup>1</sup> Established in 1981, the GCC is made up of six Arab monarchies: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE.

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Third, the rift has rendered the institution of the GCC – previously (though the bar is low) the Arab world’s most advanced regional bloc – dysfunctional. In one key indication of this, in December 2018 the Qatari emir declined to attend the annual GCC heads of state summit in Saudi Arabia. It has put paid to aspirations for greater economic cooperation at the very time when the need to diversify away from oil is pressing. It also marks a generational shift away from the GCC’s founding fathers, a group of monarchs motivated by a sense of common interest and shared threat perceptions. Although dismissed by some citizens as primarily a club of kings and emirs, the GCC has sought to forge stronger societal links, a free-trade area and a common market to bind its members together. Nonetheless, its institutions have proved vulnerable to the relationships between the rulers.

Finally, a row that started between Gulf leaders is becoming more entrenched at the societal level, as some of the world’s wealthiest countries direct substantial resources towards mutually demonizing propaganda. And this is starting to have an impact on their young populations, many of whom are in search of their own identity. Leaders have used the dispute to develop strong populist and nationalistic discourses in an effort to consolidate their political support and to counter the pull of transnational identities which have always resonated in the young Gulf states.

Tellingly, the trigger for the Quartet’s boycott of Qatar was a piece of ‘fake news’. In May 2017 Qatar’s state news agency appeared to broadcast statements by Emir Tamim Al Thani in praise of Iran, Hamas and Hezbollah, to the outrage of the other countries’ media. Qatar quickly said that its news agency had been hacked, and unnamed US intelligence officials subsequently told the *Washington Post* that they had evidence indicating that the UAE was behind the hack,<sup>2</sup> which the UAE denied.<sup>3</sup>

Information warfare has remained a key feature of the GCC crisis, with both sides lobbying heavily against each other both at home and in a contest for Western support. Notably, following the assassination, by Saudi intelligence agents, of the journalist Jamal Khashoggi in Istanbul in October 2018, Saudi media initially claimed that the killing had been fabricated by Qatar and Turkey. Even after incontrovertible evidence emerged that it had in fact taken place at the hands of Saudi agents, Saudi commentators have frequently continued to blame a supposed Qatari conspiracy for the international opprobrium the country faced over its actions.<sup>4</sup> And in November 2018 Bahrain sentenced its most prominent opposition leader, Sheikh Ali Salman, to life imprisonment on charges that he had conspired with Qatar during Bahrain’s 2011 protests. Even as the US sporadically urged the Gulf countries to mend fences, it was clear that their differences had become enmeshed in the domestic insecurities of the rival states.

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<sup>2</sup> DeYoung, K., and Nakashima, E. (2017), ‘UAE orchestrated hacking of Qatari government sites, sparking regional upheaval, according to U.S. intelligence officials’, *Washington Post*, 16 July 2017, [https://www.washingtonpost.com/world/national-security/uae-hacked-qatari-government-sites-sparking-regional-upheaval-according-to-us-intelligence-officials/2017/07/16/00c46e54-698f-11e7-8eb5-cbcc2e7bfb\\_story.html?utm\\_term=.c72b38502f7d](https://www.washingtonpost.com/world/national-security/uae-hacked-qatari-government-sites-sparking-regional-upheaval-according-to-us-intelligence-officials/2017/07/16/00c46e54-698f-11e7-8eb5-cbcc2e7bfb_story.html?utm_term=.c72b38502f7d) (accessed 5 Mar. 2019).

<sup>3</sup> Calamur, K. (2017), ‘Who Hacked Qatar’s News Sites?’, *The Atlantic*, 17 July 2017, <https://www.theatlantic.com/news/archive/2017/07/uae-denies-qatar-hack-charges/533826/> (accessed 5 Mar. 2019).

<sup>4</sup> Jamal Khashoggi was a prominent Saudi journalist who had previously worked for two senior Saudi princes, but had gone into self-imposed exile in the US since Mohammed bin Salman’s elevation to power in Saudi Arabia. In October 2018 he disappeared while visiting the Saudi consulate in Istanbul to obtain paperwork relating to his planned marriage. After initial denials, the Saudi authorities eventually acknowledged he had been killed inside the consulate. The political fallout from his murder continues. Khashoggi was a particularly well-connected journalist, and a writer for the *Washington Post*; his high profile, and the dramatic circumstances of his killing, have meant that his case has received extensive media attention, and has become a lightning rod for wider concerns about the authoritarian practices of the Saudi leadership. The Turkish authorities, outraged that the killing happened in Istanbul, have maintained pressure on Saudi Arabia by gradually leaking more details of his death, as well as evidence of the identity of the perpetrators. Saudi Arabia has begun to prosecute 11 people – including intelligence officials – in relation to the killing, but has repeatedly denied accusations that the crown prince personally knew about or authorized it.

## The regional impact: Arab countries hedge their bets

Despite the polarising rhetoric emerging from Gulf capitals, most Arab countries have tried to maintain relations with both sides in the GCC dispute, demonstrating pragmatism and bet-hedging. Indeed, for chiefly economic reasons, virtually all countries in the Middle East and North Africa (MENA) region want to deal with both Qatar and its GCC rivals; even Egypt has not recalled the estimated 300,000 Egyptian expatriates who work in Qatar. The dispute has stirred some unease among less wealthy Arab states about the risk that GCC states will use their economic levers – aid, trade, investment and remittances – against other targets in future. Furthermore, some countries do not want to take sides in a polarized dispute over political Islam for internal political reasons. Rather than representing a new regionwide rift, the dispute has illustrated the capacity of MENA states to find ways to cope with external pressures and to balance the competing interests of richer powers, a skill learned from hard experience of previous proxy conflicts. But in the Horn of Africa – including in Sudan and Somalia – the GCC rivalry is creating more serious conflict risks. Overall, the rift within the GCC makes it harder for its members to play the regional or international leadership role they have sought.

## A limited Western response

International powers, from the US to Europe to China, have called for the GCC crisis to be resolved through dialogue, but none has taken specific action to make this happen. Rather, it has highlighted the reticence on the part of most Western powers to put pressure on Gulf governments to resolve their differences. European countries are competing for Gulf business, and are uncertain how to influence the new leaders of the region – especially in Saudi Arabia and the UAE, whose respective crown princes have repeatedly signalled their intolerance of being lectured by outsiders. The US has more influence, but has so far been weakened by its own policy contradictions, although in the wake of Jamal Khashoggi's assassination there is mounting bipartisan pressure from Congress to recalibrate the previously uncritical relationship that the Trump administration has had with Saudi Arabia.

Overall, Western countries have focused on limited goals in the context of the crisis, notably pressing all the GCC states for greater cooperation in counterterrorism, and emphasizing that they want to continue to do business with both sides.

## Prospects for the future

The Gulf dispute is one of the newest conflicts in the Middle East, yet it has quickly become entrenched. It appears to have reached a stalemate, but one that all the governments can live with, and sometimes even benefit from (rather than the 'hurting stalemate'<sup>5</sup> often seen as a prelude to conflict resolution). The animosity between the relevant leaders has become highly personal, and the media and social media discourse about the dispute has sunk to a level of insult rarely seen in the Gulf.

A resolution therefore appears distant, yet it could come surprisingly quickly, since ending the dispute would depend on a handful of senior leaders whose views could change. Resolving the row would benefit all of the Gulf economies, and would be welcomed by many of their citizens, especially

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<sup>5</sup> Zartman, I. W. and Berman, M. R. (1982), *The Practical Negotiator*, New Haven, CT: Yale University Press, 1982.

those who have families spanning the political divide. The US may also have an opportunity to bring the parties together if it presses ahead with a proposed conference on a Middle East Strategic Alliance in 2019 – although this initiative has already been postponed more than once and does not seem to be a real priority for the regional powers involved.

Any rapprochement could also have an economic cooperation component, involving a resumption of trade and transport ties, mutual investments (such as investment by Qatar’s sovereign wealth fund in some of Saudi Arabia’s Vision 2030 projects), joint energy projects (the UAE relies on Qatari gas, and Saudi Arabia and Bahrain are both in need of new gas supplies), and possibly joint tourism initiatives around the planned 2022 football World Cup in Qatar.

Nonetheless, it is likely that the legacy of this period of crisis will be enduring mistrust among a group of leaders in Qatar, the UAE and Saudi Arabia who may be in charge of their countries for decades to come.

## 2. Reasons for the Dispute

The dispute between the Arab Quartet and Qatar is a serious one. It is also highly personalized, as the foreign policy of each country is decided by a handful of key individuals and does not always necessarily enjoy widespread support across their societies.<sup>6</sup> Many Gulf families span several countries, and until the crisis broke out in 2017 citizens were being actively encouraged to work, invest and even marry across GCC borders. Thus, the dispute is sometimes viewed internationally as a squabble among princes who are playing foreign policy games on a grand regional canvas. But for the leaders concerned – especially those in Qatar and the UAE – the dispute touches on deep internal insecurities.

The members of the Arab Quartet have made a host of accusations against Qatar based on objections to its foreign policy, focusing on its supposed support of ‘extremism’, its relations with Iran, and its sponsorship of the satellite broadcaster Al Jazeera.

It may be surprising to think of the UAE and Qatar as vulnerable to domestic insecurity. In a region where many states have come under pressure because of failures to meet youth expectations or renew their social contracts, these two countries have barely seen opposition mobilization. This is partly because the UAE and Qatar enjoy world-record ratios of sovereign wealth to population. But their respective governments have different internal security concerns, resulting in very different policy responses. The UAE, led by Abu Dhabi, is focused on the perceived threat from the Muslim Brotherhood element in its society, and has cracked down on alleged sympathizers. Qatari leaders, by contrast, have traditionally been concerned with potential opposition from within the large ruling family, and do not regard the Muslim Brotherhood as having a significant foothold in Qatar’s largely politically quiescent and salafist society. Each sees the other as conspiring against it. The UAE has accused Qatar of supporting Emirati Islamist activists. Qatar has accused Saudi Arabia of (unsuccessfully) planning coups in 1996 and in 2005<sup>7</sup> – a concern that has been further stoked by the Arab Quartet’s championing of dissident Qatari princes during the current crisis.

The members of the Arab Quartet have made a host of accusations against Qatar based on objections to its foreign policy, focusing on its supposed support of ‘extremism’, its relations with Iran, and its sponsorship of the satellite broadcaster Al Jazeera. In July 2017 they issued a list of 13 demands to Qatar in order to end their embargo on the country. These included: cutting ties with ‘terrorist organizations’ – named as the Muslim Brotherhood, Hamas, Hezbollah and Islamic State of Iraq and Syria (ISIS), even though Qatar is part of the anti-ISIS coalition and has bombed ISIS positions in Syria; closing Al Jazeera and several other media outlets believed to be funded by Qatar; ending all contacts with opposition movements in the Quartet countries; closing all diplomatic representation in Iran; throwing out a recently established Turkish military base in Qatar; aligning itself fully with

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<sup>6</sup> Data are limited as there are systematic efforts to prevent citizens in the relevant countries from expressing views contrary to government positions on the dispute. In the UAE and Bahrain, the governments have explicitly said that it is illegal to express sympathy with Qatar; in one case, security forces even arrested a British tourist for wearing a Qatar football shirt to a Qatar–Iraq football match in Abu Dhabi when the emirate hosted the Asian Cup in 2019.

<sup>7</sup> Ulrichsen, K. (2017), ‘Qatar: The Gulf’s Problem Child’, *The Atlantic*, 5 June 2017, <https://www.theatlantic.com/international/archive/2017/06/qatar-gcc-saudi-arabia-yemen-bahrain/529227/> (accessed 5 March 2019).



other Gulf countries' foreign policies; and paying unspecified 'reparations' for the unspecified damage caused by its policies. The sweeping nature of these demands, notably the last two, meant that they were generally regarded by international observers as unachievable, and no serious progress has been made either in negotiating over or clarifying them.

At the core of the issue, however, is the Muslim Brotherhood and the perception on the part of the Quartet countries that Qatar has actively supported its movements across the region, including in its GCC neighbours. Egypt, the UAE and Saudi Arabia have all accused Qatar of supporting Brotherhood dissidents on their territory. Kuwait, for its part, has criticized Qatar as supporting Kuwaiti oppositionists, but has called for the dispute to be resolved diplomatically.

**Table 1: Drivers and motivations of the Arab Quartet**

	Saudi Arabia	UAE	Bahrain	Egypt
Leaders/ personalities	Rise of Crown Prince Mohammed bin Salman Al Saud, and a strong, strategic alliance with Abu Dhabi leadership, has encouraged development of a shared view of the Muslim Brotherhood.	Crown Prince Mohammed bin Zayed Al Nahyan has been preoccupied with Qatar/Muslim Brotherhood threat for years. There is a view in the UAE that Qatar's 'Father Emir', Sheikh Hamad bin Khalifa Al Thani, is still pulling the strings in Doha.	Long-running border disputes between Bahrain and Qatar had been resolved under King Hamad bin Issa Al Khalifa, and there had even been plans for a 'Friendship Causeway' to link the main island of Bahrain to Qatar (reducing Bahrain's dependence on Saudi Arabia for imports).	President Abdel Fatah al-Sisi has accused Qatar of consistently trying to undermine the Egyptian regime.
Family/party	Saudi Arabia opposed Emir Hamad's bloodless 1995 coup against his father and allegedly supported a failed counter-coup in 1996. The Qatari leadership is regarded as having been closer to former Crown Prince Mohammed bin Nayef Al Saud than to his successor, Mohammed bin Salman.	Crown Prince Mohammed bin Zayed is publicly unchallenged when it comes to foreign policy, although there are suggestions that Dubai is less supportive of the trade embargo because of its role as a hub for Gulf (and wider) trade.	Historical conflicts between the two dynasties had been largely relegated to the past, but some parts of the Al Khalifa family still resent Qatar.	The Egyptian military accused Qatar, among others, of orchestrating the 2011 uprising that brought the Muslim Brotherhood to power. Former president Mohammed Morsi (elected in 2012 but swiftly deposed in the 2013 coup) was convicted of spying for Qatar in 2016.
Regime security	Saudi Arabia has accused Qatar of supporting Saudi dissidents, specifically those associated with the <i>sahwa</i> movement, who have some ideological commonalities with the Muslim Brotherhood. By contrast, the previous crown prince had worked with some of them against Al-Qaeda.	The UAE has accused Qatar of directly supporting, funding and training Muslim Brotherhood dissidents in the country. In 2013 the UAE convicted 69 people on charges of plotting a coup on behalf of the Brotherhood.	Bahrain's local Muslim Brotherhood party enjoys a good relationship with the government. The government has latterly found it more politically expedient to accuse Qatar of funding and backing the largely Shia Islamist opposition – an accusation it has more usually levelled at Iran.	Egypt has blamed Qatar for supporting the Egyptian Muslim Brotherhood and the government of Mohammed Morsi, who was overthrown in a coup in 2013.

	Saudi Arabia	UAE	Bahrain	Egypt
Foreign policy competition	There is a history of differences, between Bahrain and Qatar, Saudi Arabia over the Arab spring, as well as competition in Syria. Qatar sent small numbers of forces into Bahrain in 2011 and into Yemen in 2015 to show solidarity with other GCC countries.	The UAE and Qatar backed different sides in Egypt, Libya, Gaza and Tunisia. The UAE sees Qatar supporting the Muslim Brotherhood/ Islamists, at odds with the Emirati preference for secular, socially liberal authoritarians.	Bahrain's foreign policy is essentially to follow the Saudi line.	Egypt works closely with the UAE in Libya.
Societal perspectives	The GCC dispute is not one of the top priorities for Saudis, who are preoccupied by a host of domestic issues. The embargo does not necessarily enjoy strong support in Saudi Arabia, but neither is it a focus of particular criticism (which is in any case strongly discouraged).	The UAE has banned anyone in UAE territory from expressing sympathy with Qatar on social media (this extended to the arrest of a British national who wore a Qatar football shirt to a Qatar–Iraq football match that took place in Abu Dhabi as part of the 2019 Asian Cup).	Bahrain has said that it is illegal for citizens and residents to express sympathy with Qatar on social media. Since 2011 many Bahraini Sunnis, fearful of an Iranian threat, have rallied around their government. It is harder to mobilize Bahraini society against Qatar.	A significant minority still supports the Muslim Brotherhood, which is now banned as a terrorist organization.

## Qatar's foreign policy

Qatar – in common with the other smaller GCC states – has long been nervous about the extent to which its much larger neighbour, Saudi Arabia, would respect its sovereignty and independence. But the current tensions largely date back to 1995, when Hamad bin Khalifa Al Thani overthrew his father in a bloodless coup.<sup>8</sup> The deposed emir fled to Saudi Arabia, and Qataris have long claimed that Saudi Arabia tried to restore him to power in at least one counter-coup in 1996 (and possibly again in 2005). This used to be whispered as a rationale for Qatar's agreeing to host the main US airbase in the Middle East in the run-up to the invasion of Iraq: in 2003, the US moved its Middle East air operations centre from Saudi Arabia (where the presence of US troops has become a rallying cry for jihadists) to Al Udeid in Qatar, even as Qatar took in members of Saddam Hussein's regime and family, and although many Qataris were opposed to the US-led war in Iraq. More recently, as the current crisis has developed, Al Jazeera has broadcast detailed allegations of the alleged Saudi counter-coup in 1996.<sup>9</sup>

Historically, Qatar's foreign policy was limited to largely local relations, reflecting its tiny population, economy and military. The Al Thani family, which emerged as the rulers of Doha in the 19th century, signed a treaty with the UK in 1868 that they regard as the first recognition of Qatar as an entity independent of Bahrain (the latter's Al Khalifa dynasty having formerly ruled the Qatari peninsula). Qatar became part of the Ottoman empire until 1915; and then, as the Ottomans retreated from the Gulf, signed another treaty with the UK whereby the Al Thanis in effect outsourced foreign policy in return for British recognition and protection.<sup>10</sup>

<sup>8</sup> Saudi tensions with Hamad bin Khalifa himself have a longer history, including a 'friendly fire' incident during the 1991 invasion of Kuwait.

<sup>9</sup> Al Jazeera (2018), 'New details revealed on 1996 coup attempt against Qatar', 4 March 2018, <https://www.aljazeera.com/news/2018/03/al-jazeera-reveals-details-1996-coup-attempt-qatar-180304200532130.html> (accessed Aug. 30 2018).

<sup>10</sup> British records indicate some concern that Qatar's education ministry was sympathetic to Arab nationalism and anti-imperialism, and that visits by Qatari education officials to the then Trucial States (which became the UAE) might damage British influence there. This was never a major issue between the countries, but is interesting to compare with the current Quartet objections to the ideas promoted by Qatar. See Smith, S. (2004), *Britain's Revival and Fall in the Gulf: Kuwait, Bahrain, Qatar, and the Trucial States, 1950-71*, London and New York: RoutledgeCurzon, p. 54.

From the mid-1990s, Emir Hamad and his powerful foreign minister Hamad bin Jassim Al Thani radically changed Qatar's foreign policy, making the country a far more active player in regional diplomacy. The new approach was based on their personal political inclinations and ambitions, as well as a desire to make Qatar important to a large number of countries internationally so as to reduce its vulnerability to potential threats from larger neighbours.<sup>11</sup> This more assertive role was enabled by Qatar's belated exploitation of its vast natural gas reserves; prior to the 1990s, other Gulf countries saw it as a relatively poor cousin.

Under Emir Hamad, Qatar began to challenge Saudi Arabia's dominance of Gulf politics, using its financial and energy resources to establish itself as a foreign policy player, and building up a major new source of soft power in the form of broadcaster Al Jazeera. Qatar also adopted a role as a mediator in conflicts from the Israeli–Palestinian arena to Darfur and Lebanon, and as a major provider of foreign aid, as well as a large-scale sovereign investor abroad. It sought to be a friend to a wide range of competing political actors, hosting the US airbase at Al Udeid and inviting Israeli officials to debate on Al Jazeera, while also hosting members of the Taliban and Hamas. Western countries sometimes criticized its contacts particularly with the latter, but also found the existence of channels facilitated by Qatar useful from time to time. Doha also became home to Arab political activists of many stripes, working in think-tanks, universities and the media.

Qatar has been criticized extensively in the US and other Western countries for a permissive attitude to financing extremist organizations. A particular focus of attention in this respect has been Sheikh Abdullah bin Khalid Al Thani, a senior member of the ruling family who was minister of Islamic affairs in the 1990s. Sheikh Abdullah was widely seen as being sympathetic to jihadis, including members of Al-Qaeda, and hosted its leading figure Khalid Sheikh Mohammed in Doha in the 1990s, as well as returned mujahedin from the Afghanistan war.

Sheikh Abdullah then held the post of interior minister (although he is not thought to have held much real power) until 2013, when Sheikh Tamim came to the throne and removed him. Under Tamim, Qatar has tightened its laws, but it has never prosecuted anyone for financing terrorism. In 2014 it adopted laws on charity fundraising and on cybercrimes that included provisions on terrorist financing. In 2015 and 2016, for the first time, Qatar prosecuted five of its nationals for financing terrorism; none was convicted, however. These included the particularly prominent Abd Al-Rahman al-Nuaimi, formerly Qatar University professor and head of the Qatar Football Association, who has been designated by the US as an Al-Qaeda funder; in 2017 Qatar said he was still on trial.

It is important to recognize, however, that Qatar has historically not been unique among the GCC states in dealing with Islamist extremist groups. Most notably, before 9/11 all the GCC countries underestimated the risk that Al-Qaeda would pose both to the US and to their own internal security, but after the attacks on the mainland US Qatar's neighbours were quicker to distance themselves from the group. In particular, attitudes in Saudi Arabia changed after Al-Qaeda in the Arabian Peninsula (AQAP) started to carry out attacks in the country, from 2003 onwards; and the Saudi interior ministry has since built up extensive counterterrorist capacities. In 2009 Saudi Arabia's then interior minister, Mohammed bin Nayef, was the target of an assassination attempt by an Al-Qaeda returnee. Conversely, Al-Qaeda has never targeted Qatar.

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<sup>11</sup> Roberts, D. B. (2012), 'Understanding Qatar's Foreign Policy Objectives', *Mediterranean Politics*, 17(2), 233–39, <https://doi.org/10.1080/13629395.2012.695123> (accessed 30 Aug. 2018).

A tipping point in Doha's foreign policy came with the Arab uprisings of 2011, when Qatar became increasingly aligned with popular Islamist movements in the region.<sup>12</sup> It was generally seen as sympathetic to the uprisings – in part because of the extensive coverage by Al Jazeera, which often gave a voice to protesters – but, like all the other countries in the region, it was selective about which uprisings and movements it supported. Along with other Gulf states, Qatar became directly involved in supporting the Syrian opposition in its efforts to overthrow the government of Bashar al-Assad; and, along with the UAE, it participated in enforcing the no-fly zone during the NATO-led intervention in Libya. But it went further than other Gulf states<sup>13</sup> in offering economic support to the Muslim Brotherhood-affiliated governments in Egypt and Tunisia, just as it had long offered economic support to Hamas.<sup>14</sup> Like Turkey, Qatar shifted away from a posture of being 'a friend to all', and was more and more seen as taking sides. Al Jazeera also came under increasing criticism, not only in terms of 'kneejerk' reaction on the part of the region's authoritarian governments to any challenging coverage, but also from liberals and religious minorities who saw the broadcaster's output as all too often dominated by Sunni Islamist viewpoints.

Above all, international concerns started rising about exactly in whose hands Qatar's money was ending up, particularly in Syria. Objectively, of the support for the Syrian opposition that came from Gulf actors and Turkey, Qatar was probably at the most extreme end of the range. Former prime minister Hamad bin Jasim was quoted in 2017 as saying that the Qatar had 'maybe' supported the Al Nusra Front in Syria, but that it had moved away from the group when its unacceptability became clearer.<sup>15</sup> Qatar also reportedly encouraged the Al Nusra Front to break officially with Al-Qaeda in 2016,<sup>16</sup> which it projected as an attempt to moderate the group. Its critics, however, pointed to this as Qatar trying to normalize Al-Qaeda through a cosmetic rebranding.<sup>17</sup>

Qatar's record of enforcing laws against financing terrorism has also come under critical scrutiny. For instance, David Cohen, a counterterrorism specialist at the US Treasury, said in 2014 that Qatar and Kuwait were the more permissive jurisdictions;<sup>18</sup> and the then US assistant secretary for terrorism financing, Daniel Glaser, said in 2016 that Qatar had made less progress in combating financing for terrorist actors than Saudi Arabia had.<sup>19</sup> Furthermore, Qatar's neighbours were also angered

<sup>12</sup> Coates Ulrichsen, K. (2014), *Qatar and the Arab Spring: Policy Drivers and Regional Implications*, Carnegie Endowment for International Peace, 24 September 2014, <https://carnegieendowment.org/2014/09/24/qatar-and-arab-spring-policy-drivers-and-regional-implications-pub-56723> (accessed Jun. 2018).

<sup>13</sup> Saudi Arabia and the UAE also promised aid to Egypt after the uprising, but their delivery of aid slowed or halted after President Mohammed Morsi was elected in 2012. Morsi visited Saudi Arabia to seek aid, but aid flows resumed only after he was ousted the following year. See Farouk, Y. (2014), *More Than Money: Post-Mubarak Egypt, Saudi Arabia and the Gulf*, Gulf Research Center, April 2014, [https://www.files.ethz.ch/isn/179860/Egypt\\_Money\\_new\\_29-4-14\\_2576.pdf](https://www.files.ethz.ch/isn/179860/Egypt_Money_new_29-4-14_2576.pdf) (accessed 30 Aug. 2018).

<sup>14</sup> At home, however, the emir moved to emphasize Qatar's tradition of salafi Islam. In 2011 he opened a new central mosque in Doha, named after Sheikh Mohammed bin Abdul Wahhab – the Saudi theologian after whom 'Wahhabism' is named. In May 2017, just before the embargo, the latter's descendants in Saudi Arabia wrote to the emir demanding that he drop the name from the mosque and reportedly said the mosque did not represent the Wahhabi tradition. Gulf News (2017), 'Saudi family wants Qatar mosque name changed', 28 May 2017, <https://gulfnews.com/news/gulf/saudi-arabia/saudi-family-wants-qatar-mosque-name-changed-1.2034425> (accessed 7 Nov. 2018).

<sup>15</sup> 'Qatar 'maybe' supported al-Qaeda in Syria, says former PM', Middle East Eye and agencies, 30 October 2017. <https://www.middleeasteye.net/news/qatar-maybe-supported-al-qaeda-syria-says-former-pm-1280907406> (accessed 7 Nov. 2018).

<sup>16</sup> Roberts, D. (2015), 'Is Qatar Bringing The Nusra Front In From The Cold?', BBC News, 6 March 2015, <https://www.bbc.com/news/world-middle-east-31764114>; Karouny, M. (2015), 'Insight – Syria's Nusra Front may leave Qaeda to form new entity', Reuters, 4 March 2015, <https://uk.reuters.com/article/uk-mideast-crisis-nusra-insight-idUKKBNOM00G620150304> (accessed 7 Nov. 2018).

<sup>17</sup> See for example Schanzer, J. (2017), 'Assessing the US-Qatar Relationship', Congressional Testimony, Foundation for the Defence of Democracy, 26 July 2017, <https://docs.house.gov/meetings/FA/FA13/20170726/106329/HHRG-115-FA13-Wstate-SchanzerJ-20170726.pdf> (accessed 8 Jul. 2018).

<sup>18</sup> US Department of the Treasury, 'Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen before the Center for a New American Security on "Confronting New Threats in Terrorist Financing"', 4 March 2014, <https://www.treasury.gov/press-center/press-releases/Pages/jl2308.aspx> (accessed 5 Mar. 2019).

<sup>19</sup> Slavin, B. (2016), 'U.S. Treasury Official Praises Saudi Cooperation Against Terror Funding.' Al Monitor, 14 October 2016, <https://www.al-monitor.com/pulse/originals/2016/10/us-treasury-official-saudi-combat-terror-funding.html> (accessed 7 Nov. 2018).

by reports that the emirate had made ransom payments of between £250 million and £1 billion to a variety of militants in 2017 to secure the release of several members of its royal family who were being held hostage in Iraq.<sup>20</sup>

### Friction between Qatar and its Gulf neighbours

The other Gulf monarchies were far more wary of the Arab uprisings and of political Islam, perhaps because they had greater concern about opposition at home. Their media outlets took a very different tone towards the 2011 wave of protests. Nonetheless, in some cases they did support changes of regime or government. This was particularly the case in Syria, where there was extensive support for groups fighting the Assad government; in Libya, where the UAE joined Qatar in supporting the no-fly zone against the Gaddafi regime; and in Yemen, where the GCC helped broker the transition deal whereby Ali Abdullah Saleh ceded the presidency in 2012. More recently in Yemen, Saudi Arabia and the UAE have been working with non-state actors, including a variety of armed Islamist groups,<sup>21</sup> as well as the internationally recognized but exiled government of Abd Rabbu Mansour Hadi, in an attempt to reverse the 2014 coup. And in Libya, they have supported the forces of General Khalifa Haftar, who launched an assault on the capital in 2019. The distinction between Qatar and the other Gulf monarchies when it comes to supporting non-state actors is thus not quite as binary as the UAE and Saudi Arabia claim. However, they have generally been less comfortable working with Islamist groups, particularly in Syria.

Qatar's foreign policy adventurism has, in part, reflected the government's almost total lack of anxiety about domestic opposition. Given a history of internal coups, the main domestic concern of successive Al Thani rulers has been rivals within the ruling family itself. But in a society of some 300,000 citizens, the government has largely been able to legitimize its rule by dispensing its vast gas wealth, which has made Qataris the richest people in the world (measured by GDP per capita at purchasing-power parity). It has repeatedly postponed promised parliamentary elections, with little pushback – and a general sense of disinterest – from the public when these have not materialized.<sup>22</sup> This is perhaps partly because traditional parliament-based means of consultation are relatively effective in such a small and closely connected society.

**Qatar's foreign policy adventurism has, in part, reflected the government's almost total lack of anxiety about domestic opposition.**

It was mainly over Egypt that the divisions between Qatar and its neighbours deepened. Saudi Arabia and the UAE portray Qatar's aid to the Muslim Brotherhood government of President Mohammed Morsi, elected in 2012, as a deliberate attempt to destabilize a country that they call the pillar of Arab stability – even as Western countries also engaged with Morsi's government and encouraged all the GCC states to give it economic support. Saudi Arabia, the UAE and Kuwait actively

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<sup>20</sup> Wood, P. (2018), 'Billion dollar ransom: Did Qatar pay record sum?', BBC News, 17 July 2018, <https://www.bbc.co.uk/news/world-middle-east-44660369> (accessed 5 Mar. 2019).

<sup>21</sup> Specifically, these are a mix of Yemen's Islah party (broadly aligned to the Muslim Brotherhood way of thinking but with some local differences) and various salafist groups.

<sup>22</sup> Gengler, J. (2011), 'Qatar's Ambivalent Democratization', *Foreign Policy*, 1 November 2011, <https://foreignpolicy.com/2011/11/01/qatars-ambivalent-democratization/> (accessed 7 Nov. 2018).

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supported the military's seizure of power in 2013; and the UAE in particular has since then engaged intensively in economic, political and security support for the government of President Abdel Fatah al-Sisi. The UAE's gross aid to Egypt in 2015 was \$2.5 billion, amounting to around 0.7 per cent of the Emirates' GDP.<sup>23</sup>

That the members of the Quartet have been so riled by Al Jazeera has added credence to Doha's line that Qatar is being punished for supporting democracy and freedom of speech. However, while Al Jazeera Arabic has massively increased the diversity of voices on air in the Arab world, it is at times partisan and politicized. For instance, it began to air criticism of the Saudi-led war in Yemen only after its row with Saudi Arabia began in 2017.

### Qatar and Bahrain

Qatar's apparent support for the Arab uprisings did not extend to the most potentially destabilizing uprising that took place within the GCC itself – i.e. in Bahrain, beginning in February 2011. Al Jazeera Arabic barely covered the protests there, nor did it give much airtime to the smaller scale ones in Saudi Arabia's Eastern Province or in Oman.<sup>24</sup> Speaking at Chatham House in early 2012, the station's former director-general (from 2003–11), Wadah Khanfar, acknowledged that the broadcaster had devoted less coverage to the uprising in Bahrain than to those in Egypt, Tunisia, Syria or Yemen, stating that this was because attitudes to the protests in Bahrain's society were politically divided on sectarian lines.<sup>25</sup> Bahrain's opposition is primarily made up of Shia Muslims, who constitute the majority of the population, while the (Sunni) Muslim Brotherhood is generally aligned with the government.

During the protests in Bahrain, its crown prince consulted with Qatar and other GCC countries. Qatar, Saudi Arabia, the UAE and Kuwait agreed to provide the government with \$5 billion in economic aid through the institution of the GCC. The report of the official inquiry into the protests<sup>26</sup> cited opposition sources as saying that Qatar's emir had in March 2011 attempted to mediate between the government of Bahrain and the opposition, but that the government had rejected this.<sup>27</sup> The US also tried to mediate at this time, without success, and an earlier mediation effort by Kuwait was also rebuffed by Manama. As events on the street escalated, Qatar sent a small number of police to Bahrain to join UAE and Saudi forces in supporting the Bahrain government as it cracked down on the protests. By contrast, Kuwait and Oman did not participate, as they had reservations about intervening in Bahrain's domestic politics and about the potential effects this could have on their own internal political and sectarian balance.

Thus, Qatar gave security and financial support to the government of Bahrain when it faced a serious internal challenge. After the GCC crisis broke out in 2017, however, Bahrain's state media released partial recordings of several phone calls between Qatari officials and Bahraini opposition leaders purportedly showing that Qatar was covertly supporting the protesters. The extracts

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<sup>23</sup> OECD Development Assistance Committee data put the UAE's gross overseas development assistance (ODA) to Egypt at \$2.5 billion in 2015. GDP was \$358 billion in the same year, according to the World Bank. The UAE's net ODA disbursements in 2015, at \$4.4 billion, were equivalent to 1.2 per cent of gross national income, and 84 per cent of this went to five Arab countries: Egypt, Yemen, Jordan, Iraq and Morocco. See OECD (2019), 'United Arab Emirates' Development Co-operation', <http://www.oecd.org/countries/unitedarabemirates/uae-official-development-assistance.htm> (accessed 28 Mar. 2019).

<sup>24</sup> Al Jazeera International, the English-language news channel, took a different approach, including broadcasting two documentaries about the protests.

<sup>25</sup> Royal Institute of International Affairs (2012), Transcript: Q&A, Al Jazeera and the Arab Spring, Chatham House members' event, 19 January 2012, <https://www.chathamhouse.org/sites/default/files/public/Meetings/Meeting%20Transcripts/190112khanfarQ%26A.pdf> (accessed 7 Nov. 2018).

<sup>26</sup> The Independent Commission of Inquiry, established by official order of King Hamad in July 2011, presented its report in November of that year.

<sup>27</sup> Bahrain Independent Commission of Inquiry (2011), *Report of the Bahrain Independent Commission of Inquiry*, p. 143, para 527, <http://www.bici.org.bh/BICReportEN.pdf> (accessed 8 Jul. 2018).

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released at this time included parts of calls between Qatar's prime minister and Bahraini opposition leader Sheikh Ali Salman, of the Shia Islamist political movement Al Wefaq, and sections of four calls between one of the emir's advisers and another Wefaq politician, Hassan Sultan.<sup>28</sup> The Bahraini opposition and Qatari officials both said the calls took place as part of Qatar's mediation attempts. The clips indicate that Qatar and Al Wefaq were communicating, and that Qatari officials expressed some sympathy with protesters, saying they wished the situation had not escalated to a military deployment and that the priority was to remain peaceful; beyond this, however, the publicly available extracts do not indicate a Qatari contribution to the protests.

In November 2017 the authorities charged Ali Salman, who was already serving a prison sentence on charges of inciting violence, with conspiring with Qatar, which is potentially punishable by death. He was acquitted in June 2018, but in November this acquittal was overturned and he was sentenced to life imprisonment. This came the day after a meeting between the kings of Bahrain and Saudi Arabia, amid reports that the US was pressing the Arab Quartet countries to end their boycott of Qatar.<sup>29</sup>

It is noteworthy that the allegations of Qatar's collusion with the Bahraini opposition in 2011 emerged only when the Qatar crisis began in 2017; before that, Manama had blamed Iran and Iraq for supporting the opposition. Bahrain's Muslim Brotherhood has a generally good relationship with the government and the ruling family, and it appears to have been politically convenient for the latter to link Qatar with the Shia opposition rather than the Brotherhood.

### The Muslim Brotherhood in the Gulf

The governments of the UAE, Saudi Arabia and (less vocally) Kuwait have all accused Qatar of supporting Muslim Brotherhood opposition groups (or, in the case of Saudi Arabia, opposition clerics) inside their countries. Certainly, Al Jazeera has frequently given airtime to dissidents from other Gulf countries, and Qatar has hosted some dissidents at conferences. Many of the Quartet's complaints focus on Al Jazeera supposedly undermining Arab states in general by providing such a platform. Beyond this, there is little basis in the public domain for assessing the Quartet's claims that Qatar supported opponents in more direct ways. While the Gulf ruling families have had their own differences and disputes, they have historically eschewed supporting opposition movements in each other's countries – not least because most of these draw inspiration from broader transnational movements and an internal popular challenge to any one Gulf monarchy could potentially have a knock-on effect on the others. However, it is also possible that Qatar is an exception because of its rulers' lack of anxiety about domestic opposition movements.

The concern is greatest on the part of the UAE, where Crown Prince Mohammed bin Zayed has been a staunch opponent of political Islam in all its forms. The Muslim Brotherhood is the only movement that the Abu Dhabi leadership believes to have posed a serious domestic political threat to the UAE government for many years; the UAE has no openly active opposition parties or protests, and it has experienced very few terrorist incidents. In July 2013, however, 69 people were convicted of plotting

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<sup>28</sup> The publicly available transcripts of the latter show that Hassan Sultan had accused the small number of Qatari police of being part of Gulf occupation forces helping to give a Gulf blessing to the crackdown in Bahrain; in response, the emir's adviser, Hamad Khalifa Al Attiyah, said that Qatar had some reservations and would potentially be willing to change its policy if it had solid information about the problems. He also said he would potentially be willing to meet in person in Bahrain, and offered to connect another Al Wefaq politician with Al Jazeera for an interview. See Gulf News, 'Bahrain TV plays tapes showing Qatar's role in 2011 crisis', 17 June 2017, <https://gulfnews.com/news/gulf/bahrain/bahrain-tv-plays-tapes-showing-qatar-s-role-in-2011-crisis-1.2045153> (accessed 7 Nov. 2018).

<sup>29</sup> Paul, K. and El Gamal, R. (2018), 'Saudi Arabia defies U.S. pressure to end Qatar row after Khashoggi killing', Reuters, 16 November 2018, <https://www.reuters.com/article/us-saudi-usa-gulf/saudi-arabia-defies-u-s-pressure-to-end-qatar-row-after-khashoggi-killing-idUSKCN1NL1XM> (accessed 5 Mar. 2019).

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a coup on behalf of the Muslim Brotherhood's local affiliate *Islah*.<sup>30</sup> Since then, UAE media have repeatedly claimed that Qatar provided specific training and support for the Muslim Brotherhood in the Emirates. From the point of view of the Abu Dhabi leadership, therefore, this is not just about differences over foreign policy: its position is that Qatar was complicit in a serious and possibly existential threat to its rule.

This is contentious, and is typically seen by Western governments as exaggerated. The situation is complicated by the fact that, prior to the rise of Mohammed bin Zayed as the *de facto* leader of the UAE, *Islah* was largely accepted there as a social movement with some narrow influence. It was not traditionally seen as a 'terrorist' group. As in Qatar (and several other countries), *Islah* focused on society, charitable activities and education rather than engaging overtly in politics – although gaining ideological influence in society and in the education system can be a precursor to more formal political activism. According to some former Western diplomats, Mohammed bin Zayed has indicated that he almost fell under the influence of the Muslim Brotherhood as a youth, and that he has a particular animosity towards it as a result.

The extent to which *Islah* posed a genuine threat to the UAE authorities in 2013 is unclear to external observers, but it is not at all thought to have been on the brink of a coup, or to have had the coercive capacity required to seize power. The UAE's record of regarding relatively mild forms of dissent as a security threat can make it difficult for outsiders to distinguish between more and less serious accusations; for instance, several people were jailed in 2011 for petitioning the ruler for an elected parliament (one of whom, the human rights activist Ahmed Mansoor, is now serving a 10-year jail term for social media postings deemed to have damaged the country's reputation), and one of those arrested in 2013, Mohammed Al Roken, was a human rights lawyer.

The sense of threat in the UAE also stemmed from broader regional dynamics. The convictions in July 2013 came at a time of pushback against the Muslim Brotherhood in the wider region; for example, the coup against President Morsi in Egypt took place the day after the convictions in the UAE. These events also took place just after Sheikh Hamad bin Khalifa had unexpectedly abdicated the Qatari throne in favour of his son Tamim (although the abdication is largely thought to have been for health reasons), and the former prime minister and foreign minister Hamad bin Jasim was removed from all his positions.

### Emir Tamim: attempts to reset relations

Saudi Arabia and the UAE saw the accession of Sheikh Tamim as an opportunity to reset relations with Qatar. In his inaugural address, Tamim spoke of the need for Qatar to reach 'the highest levels of integration' with other GCC countries and to respect the sovereignty of all other Arab countries, although he also said that Qatar's founder had promised that the country should be 'a refuge for the oppressed' and that he would remain faithful to that.<sup>31</sup> A meeting between the new emir and Egypt's interim president, Adly Mansour, was also welcomed by Saudi Arabia and the UAE. At the same time, Qatar became a refuge for some Muslim Brotherhood members fleeing Egypt. Sheikh Yusuf Qaradawi, an influential Egyptian cleric based in Qatar, publicly criticized GCC countries that had supported the military coup.<sup>32</sup>

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<sup>30</sup> Peel, M. and Hall, C. (2016), 'Scores of Emiratis jailed after coup plot trial in Abu Dhabi', *Financial Times*, 2 July 2013, <https://www.ft.com/content/379fc630-e2ed-11e2-9bb2-00144feabdc0> (accessed 30 Aug. 2018).

<sup>31</sup> Government of Qatar (2013), 'The Inaugural Speech of His Highness Sheikh Tamim Bin Hamad Al-Thani, The Amir of Qatar, on Becoming the Amir', 26 June 2013, <https://www.gco.gov.qa/wp-content/uploads/2017/08/The-Inaugural-Speech-of-HH-Sheikh-Tamim-bin-Hamad-Al-Thani-on-Becoming-the-Emir-of-Qatar.pdf> (accessed 5 Mar. 2019).

<sup>32</sup> Hellyer, H. A. (2014), 'Withdrawal of Qatari Ambassadors Points To Deep Frustration', *The National*, 6 March 2014, <https://www.thenational.ae/withdrawal-of-qatari-ambassadors-points-to-deep-frustration-1.282622> (accessed 30 Aug. 2018).



In 2013 and again in 2014, the other GCC states reached agreements with Qatar to resolve the sources of friction (see Box 1).<sup>33</sup> Copies of these agreements, leaked to the broadcaster CNN in 2017, give some insight into the threat perceptions of the GCC states, and highlight the extent to which the governments of the GCC countries regard critical media and opposition activism as security threats.<sup>34</sup> This presents a dilemma for Western governments. They may not agree with Qatar's support for Islamists, but quite a few of the Qatari behaviours criticized by other GCC countries – such as giving refuge to opposition activists and hosting critical media – are normal activities for Western democracies.

By the time of the second agreement in 2014, the GCC states had other matters to preoccupy them. ISIS had proved to be a more serious threat than they had foreseen, and most of them signed up to join the US-led anti-ISIS airstrikes in Syria. The accession of King Salman in Saudi Arabia in early 2015 also changed the dynamics – initially in Qatar's favour, as he appeared less preoccupied with the idea of the Muslim Brotherhood as a critical threat. When Saudi Arabia called on other GCC countries to go to war in Yemen to overturn the 2014 coup, Qatar joined the coalition. The two countries shared a common interest not only in countering the coup, but in supporting Yemen's Islah party, generally seen as sympathetic to Muslim Brotherhood thinking although not a formal part of the international movement.

Two years later, however, Abu Dhabi remained adamant that Qatar was supporting movements that threatened the UAE's security. Increasingly, it appeared to have persuaded Saudi Arabia's Mohammed bin Salman that Qatar was supporting Saudi Islamists who were detrimental to his social and economic reform projects. Beyond the issue of the Muslim Brotherhood, Saudi Arabia has focused on Qatar's relations with Iran. This cannot, however, be the main driver of the rift, since other GCC countries also have some degree of relations with Iran. (Oman's in particular are closer, warmer and far better established than Qatar's.) An additional factor appears to have been the 2017 hostage deal whereby some of the money paid by the Qatari royal family went to the Shia militia Kata'eb Hezbollah as well as to Sunni jihadi groups.

In an indication of the personalization of politics in the GCC countries, just as King Salman's accession Saudi Arabia had initially eased tensions with Qatar, Mohammed bin Salman's appointment as crown prince in April 2017 paved the way for a new standoff with Qatar – and an entirely new approach to regional relations. This approach was also enabled and encouraged by US President Donald Trump, who has championed Mohammed bin Zayed and Mohammed bin Salman as key forces for positive change in the region, and the strong relations that the two crown princes had developed with Trump's son-in-law and Middle East envoy, Jared Kushner.<sup>35</sup>

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<sup>33</sup> In August 2014 Bahrain also called on Qatar to stop naturalizing Bahrainis, stating that Qatar was luring a certain segment of Bahraini society to become Qatari citizens. This was a sensitive issue for Bahrain, as it is itself believed to be naturalizing Sunni Arabs from elsewhere in order to tilt its demographic balance and reduce the Shia majority (which is seen as the backbone of support for the political opposition). Meanwhile, Qatar was thought to be offering citizenship to Bahrainis from Sunni tribal backgrounds (traditionally a bedrock of support for the Bahraini ruling family). In response, Qatar said it would stop naturalizing citizens from other GCC states.

<sup>34</sup> Sciuotto, J. and Herb, J. (2017), 'Exclusive: The secret documents that help explain the Qatar crisis', CNN, 11 July 2017, <https://edition.cnn.com/2017/07/10/politics/secret-documents-qatar-crisis-gulf-saudi/index.html> (accessed 30 Aug. 2018); the documents leaked to CNN are at <https://i2.cdn.turner.com/cnn/2017/images/07/10/translation.of.agreementsupdated.pdf>.

<sup>35</sup> Cynics pointed to the fact that the Qatari government had declined to make a major investment in a New York property owned by Kushner's father just before the crisis broke out.

### Box 1: The 2013 and 2014 Riyadh agreements

A short agreement was reported in 2013 to have been concluded in Riyadh between the rulers of Saudi Arabia, Kuwait and Qatar. The agreement included three commitments: that they would not interfere in each other's internal affairs, support each other's dissidents or 'antagonistic media', or give asylum to oppositionists from other Gulf countries; that they would not support the Muslim Brotherhood or other organizations that threatened security and stability; and that they would not support any faction in Yemen that could threaten the country's neighbours. In March 2014, however, Saudi Arabia, Bahrain and the UAE withdrew their ambassadors from Doha, asserting that Qatar was failing to implement GCC agreements. They called on it not to support any party threatening their stability, and stated that it had refused to sign a common security pact. By Qatar's account, their differences were over issues outside the GCC itself. The situation in Egypt continued to be a particular source of tension, as was evident in November 2014 when Qatar asked Egypt to return \$2.5 billion that it had provided to support the Egyptian currency during Morsi's presidency.

A second Riyadh agreement was reached in December 2014, this time by all the GCC leaders except for Sultan Qaboos of Oman (but including Sheikh Mohammed bin Rashid Al Maktoum of Dubai). Its main principles essentially repeated those of the 2013 agreement, but instead of referring to Yemen (which was not now mentioned), it included a clause saying that all GCC countries would support Egypt and cease any media activity against the country – in effect conflating media criticism of the Egyptian government with media opposition to the country, as Gulf countries often deliberately obfuscate such distinctions. Specific commitments included deporting any non-citizen members of the Muslim Brotherhood; shutting down centres that 'train GCC citizens to work against their own governments'; and not offering support or refuge to anyone who acts in opposition to the GCC states, even if they are current or former officials – perhaps a veiled reference to the former emir and prime minister of Qatar.

As part of this effort at rapprochement, Al Jazeera suspended its Egyptian channel, Al Jazeera Mubasher Misr. This move, welcomed by Egypt, is illustrative of the recurring importance of media as a perceived security issue in the region, and is just one instance of state-owned media being instrumentalized for diplomatic purposes.

### Box 2: Claims of Qatari support for the UAE and Saudi oppositions

In July 2017 several UAE newspapers reported comments made by an alleged repentant member of the UAE Muslim Brotherhood, Abdul Rahman bin Subaih Khalifa Al Suwaidi, in a television interview for a documentary called 'Qatar's Files for Supporting Terrorism'. He was quoted as saying that Qatar sought to spread chaos in the UAE by supporting the Muslim Brotherhood.

Al Suwaidi alleged that a Qatari, Mohammed Al Jaida, who had been arrested in the UAE in 2013 (and jailed for two years before being returned to Qatar), had carried funds from Qatar to 'the secret organization in the UAE' and to fugitive Emirati members of the organization in an attempt to 'regroup' the organization after its members were arrested. Al Suwaidi added that this was done with the knowledge of the Qatari government, which was assisting the Muslim Brotherhood in spreading chaos 'by guiding and harbouring its elements and securing travel documents for them', and that 'a training programme was conducted in the UAE on how to spread chaos and stir troubles in the UAE through social media platforms'. Overall, he said, 'Qatar has not left the Muslim Brotherhood elements, it opened the doors for them to vent their hatred of the UAE.' Al Jaida has rejected all such allegations,<sup>36</sup> and said he was falsely imprisoned as a political pawn in the intra-GCC political dispute.

Again, the UAE's wide definition of terrorism and security threats, which makes little distinction between social-media activism and cyberterrorism, makes it difficult to assess the seriousness of the allegations. Online criticism is often conflated with attempts to spread chaos and undermine national unity.

<sup>36</sup> MacDonald, A. (2017), 'A Qatari citizen's two years of abuse and false imprisonment by the UAE', Middle East Eye, 28 August 2017, <http://www.middleeasteye.net/news/exclusive-qatari-citizen-describes-two-years-abuse-and-false-imprisonment-uae-1532406963> (accessed 30 Aug. 2018).

In Saudi Arabia, meanwhile, several critics and activists, including clerics, were arrested in September 2017. There were suggestions in the local media that some may have received funding from Qatar. Moreover, one of them, Sheikh Salman Al Auda, was arrested after tweeting his support for reconciliation between Saudi Arabia and Qatar. However, his views on Qatar were most likely only a pretext, or at most a trigger, for his arrest. His imprisonment is part of a broader push by the Saudi leadership to weaken any constituencies that have been sources of political opposition, including clerics. Ironically, in a bid to reassure Saudi Arabia of its goodwill, Qatar had deported one activist, Mohammed Al Otaibi, back to Saudi Arabia just a week before the GCC crisis erupted.<sup>37</sup>

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<sup>37</sup> *Khaleej Times* (2017), 'Saudi fugitive 'deported' from Qatar', 30 May 2017, <https://www.khaleejtimes.com/region/qatar/saudi-fugitive-deported-from-qatar> (accessed 30 Aug. 2018).

### 3. The Impact on the GCC

The GCC crisis has highlighted important features of the modern Gulf political landscape. The future of the bloc is now in question, not least as economic cooperation has been disrupted by the intra-GCC embargo. Politically, after having previously sought to position itself as a regional leader representing the Arab world's most stable countries, it now evidently lacks the mechanisms or capacity to resolve its own internal disputes. In a part of the world where politics is highly personalized, there is a disjunction between the older generation of leaders in Kuwait, Oman and to some extent Bahrain, and their younger counterparts in the UAE and especially in Saudi Arabia and Qatar. The crisis has also served as an illustration of a new and more belligerent style of politics from the rising leaders in Saudi Arabia and Abu Dhabi in reaction against what they perceive as the weaknesses and failures of previous 'softer' approaches to Gulf diplomacy.

#### The GCC: another Arab Maghreb Union?

The GCC's politics have always had a strong element of personalization. The grouping was founded rather more on a sense of fraternity and commonality between individual rulers, than on an EU-style process of institution-building. The founders shared common threat perceptions and a certain sense of common interest. There was a long legacy of border disputes and historical grievances between their countries, but they judged that there was more to unite them than to divide them. However, the generation that founded the GCC is no longer leading Gulf politics. As a result, traditional mediation mechanisms are not functioning, and its future as a bloc is in question.

Some citizens have criticized the GCC for acting as a 'club of kings' rather than of nations. By this view, the GCC has focused far more on the direct interests of the rulers, including internal security against dissidents, than on economic cooperation. To some extent, the bloc has also built ties at the societal level, by facilitating economic cooperation (especially in financial and property investment),<sup>38</sup> labour-market mobility and migration between member states. In most GCC countries, there are disincentives for citizens to marry non-citizens; this applies especially to women, who usually lose their right to pass their citizenship on to their children (who are then deprived of a host of economic entitlements). But gradually individual states have been modifying their laws to make exceptions for other GCC citizens. For instance, in 2011 Saudi Arabia adopted legislation allowing Saudi men and women to marry GCC nationals without having to obtain the official permission that is required to marry other foreigners.

However, these leadership and societal ties have not been supported by any equivalent development of supranational institutions. GCC institutions have always remained subordinate to national politics, as was evident with the common currency project that was quietly shelved after a 2009 dispute about which city would host a proposed central bank. The current rift, in bringing about the perverse situation of a trade embargo within a bloc that officially has a common market, has emphasized the primacy of politics over economics.

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<sup>38</sup> The economies of the GCC states are very similar; less than 10 per cent of their goods trade takes place within the bloc, but FDI flows are more significant.

Nonetheless, Qatar remains in the GCC and there continues to be some working-level contact and cooperation at the GCC level. The GCC has held two annual summits since the crisis began, but these no longer bring the heads of state together. Notably, the GCC's joint military force, the Peninsula Shield, held military exercises in Saudi Arabia – including Qatari troops – in February 2019.

The UAE and Bahrain had called for Qatar to be expelled, but Kuwait and Oman have been keen to maintain the membership of the bloc and have tried to use the shared GCC identity as a basis for mediation. Through their mediation, all six members did agree to send representatives to the annual GCC summit that Kuwait hosted in December 2017. However, their participation was limited to the point of tokenism, with Saudi Arabia, the UAE and Bahrain dispatching only low-level representatives. On the eve of the meeting, moreover, Saudi Arabia and the UAE announced a new bilateral 'strategic partnership', signalling clearly their intention to deepen their relationship separately from the rest of the bloc. The GCC meeting broke up after a day, after a few routine remarks blaming the media for stoking tensions.

While it is unlikely that the GCC will be formally disbanded – not least because its members generally do not like to admit failure – the current rift does point to the end of an era for the bloc. It may increasingly come to resemble the Arab Maghreb Union, a North African regional bloc that has been unable to progress because of a long-running dispute between Morocco and Algeria, whose border has been closed for two decades. The GCC has always had its limitations, but had previously been the best-functioning regional bloc in the Middle East. Its paralysis compounds a wider problem posed by the striking absence of effective regional organizations, compared with any other area of the world.

### The crown princes' partnership

The ascent of Mohammed bin Salman in Saudi Arabia has brought in a new style of Saudi policymaking. In deliberate contrast to the subtle gradualism associated with King Abdullah, the new Saudi leadership has adopted a new style of sudden and spectacular but not always strategic action, designed for maximum dramatic effect. Thus, three months after King Salman came to the throne in 2015, Saudi Arabia led its first military intervention, intended to reverse the coup in Yemen. While it had voiced its anxieties about the coup for seven months, few had anticipated that Saudi Arabia would lead a military action. The new leadership appears determined to change the calculations that other actors make about what Saudi Arabia can and will do. Similarly with Qatar, the sudden announcement of the boycott was a demonstration that old assumptions about GCC diplomatic niceties would no longer apply.

Crown Prince Mohammed bin Salman's new style of policymaking resonates with – and is probably influenced by – that of Crown Prince Mohammed bin Zayed in Abu Dhabi, with whom he has developed a close working relationship. The UAE had pressed other GCC countries to increase the pressure on Qatar for several years, but the balance tipped when Mohammed bin Salman became crown prince and brought the weight of Saudi Arabia into the equation. Both men are trying to realize long-pent-up ambitions for dramatic change at home and abroad, emboldened by their countries' strengthened alliance and an apparent blank cheque from a US administration that prefers the simplicity of outsourcing Middle East policy to a small number of trusted regional strongmen. They have felt able to make unilateral foreign policy moves in a regional context where there is a perceived power vacuum resulting from the internal turmoil in most of the traditional Arab powers and the deep perceived uncertainty about the future role of the US in the region.

This degree of uncertainty is encouraging bold moves by some actors, including Mohammed bin Salman and Mohammed bin Zayed, but it also increases the risks of miscalculation and overstretch. Saudi Arabia and the UAE are positioning themselves to play a leadership role in the region, with passive support from the US, but they are taking on many challenges simultaneously and will come under challenge from regional rivals (most obviously Qatar, Iran and Turkey) as well as from their own military and diplomatic capacity. The two crown princes also appear intolerant of criticism, and dependent on a very small circle of local advisers and highly paid international consultants – a combination that sometimes means tough messages are muffled or avoided altogether.

**The GCC crisis has introduced tactics that are new to intra-GCC politics, including the closure of airspace, a trade embargo and the sudden withdrawal of capital.**

Tensions over Qatar had been simmering for years, but the previous assumption was that GCC leaders would address contention behind the scenes through high-level, personal mediation. Now, however, the crisis has introduced tactics that are new to intra-GCC politics, including the closure of airspace, a trade embargo and the sudden withdrawal of capital. Qatar has accused the Quartet countries of trying to trigger a currency crisis by trading the riyal at artificially low prices. It is not new for GCC countries to use their economic clout as leverage for political bargaining in their international relations, but they have not instrumentalized their economic weight in such a large-scale, sudden and visible way since the 1973 oil embargo (which had a much wider global impact). Also new in this context is the role of information warfare, ‘fake news’ and cyberattacks.<sup>39</sup> After all, the crisis began with the hacking of Qatar News Agency, which US officials have reportedly attributed to the UAE. This was followed by accusations that Qatar may have arranged the hacking of email accounts of a top US Republican fundraiser linked to the UAE,<sup>40</sup> while the emails of the UAE’s ambassador to the US were also hacked and leaked to the media.

In a battle for US support, Qatar and the UAE have ramped up their already hefty spending on lobbyists and PR firms in Washington. As part of this, they have sought to influence US think-tanks and op-ed writers by funding and courting them. As a result, there is a proliferation of analysis and articles on the Gulf states, which were traditionally given little coverage in US Middle East analysis, but these are all too often distorted, heavily spun, and influenced by commercial interests.

Some reports have suggested that the UAE and Saudi Arabia briefly considered a military invasion of Qatar.<sup>41</sup> Speculation about this began after Kuwait’s emir said at the White House in September 2017 that he thanked God that a military confrontation had been avoided.<sup>42</sup> It is uncertain whether the countries really did contemplate an invasion – the international reaction against Iraq’s invasion

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<sup>39</sup> Owen Jones, M. (2017), *Hacking, bots and cyberattacks in the Qatar crisis*, Project on Middle East Political Science, October 2017, [https://pomeps.org/wp-content/uploads/2017/10/POMEPS\\_GCC\\_Qatar-Crisis.pdf](https://pomeps.org/wp-content/uploads/2017/10/POMEPS_GCC_Qatar-Crisis.pdf) (accessed 7 Nov. 2018).

<sup>40</sup> Kirkpatrick, D. (2018), ‘A Top Trump Fund-Raiser Says Qatar Hacked His Email’, *New York Times*, 5 March 2018, <https://www.nytimes.com/2018/03/05/world/middleeast/qatar-trump-hack-email.html> (accessed 8 May 2018).

<sup>41</sup> See for example Cole, J. (2018), ‘David and Goliath: How Qatar Defeated the Saudi and UAE Annexation Plot’, *The Nation*, 16 February 2018, <https://www.thenation.com/article/david-and-goliath-how-qatar-defeated-the-saudi-and-uae-annexation-plot/> (accessed 5 Mar. 2019);

Emmons, A. (2018), ‘Saudi Arabia Planned to Invade Qatar Last Summer. Rex Tillerson’s Efforts To Stop It May Have Cost Him His Job’, *The Intercept*, 1 August 2018, <https://theintercept.com/2018/08/01/rex-tillerson-qatar-saudi-uae/> (accessed 5 Mar. 2019).

<sup>42</sup> ‘Thank God, now, what is important is that we have stopped any military action.’ The White House (2017), ‘Remarks by President Trump and Emir Sabah al-Ahmed al-Jaber al-Sabah of Kuwait in Joint Press Conference’, 7 September 2017, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-emir-sabah-al-ahmed-al-jaber-al-sabah-kuwait-joint-press-conference/> (accessed 5 Mar. 2019).

of Kuwait in 1990 would appear to be a strong deterrent – or whether it is another aspect of the information war. If the latter, both sides may stand to gain: the Quartet by adding another potential threat to Qatar’s risk calculations, and Qatar by portraying the Quartet as willing to act outside international law.

### The impact on Qatar’s economy

Qatar’s economy has suffered both immediate and longer-term ill effects from the embargo, but an economic boycott by its GCC partners can have only a limited impact on a country that is the world’s largest exporter of LNG. Qatar has the world’s third largest gas reserves (after Iran and Russia), and it has concluded long-term supply agreements with a host of significant world powers. Even the UAE continues to obtain a third of its natural gas from Qatar through the Dolphin pipeline (which has remained unaffected by the boycott). Qatar typically provides more than half of India’s and Taiwan’s respective LNG supply, one-third of the UK’s, and one-fifth of China’s. It has well-established joint ventures with Shell and ExxonMobil, and it has recently signed a 25-year oil joint-venture agreement with Total.

**In Qatar’s favour is the fact that while global carbon-reduction efforts present a risk to oil demand, demand for natural gas – which emits less carbon when burned than does coal or oil – continues to increase.**

Also in Qatar’s favour is the fact that while global carbon-reduction efforts present a risk to oil demand, demand for natural gas – which emits less carbon when burned than does coal or oil – continues to increase. Qatar will benefit from this, although it is under growing supply competition from Australia, the US and Russia. Its key source of income has thus been broadly protected. However, Qatar has already been cutting gas prices to maintain market share,<sup>43</sup> and the boycott may have encouraged this trend as the country has had an increased geopolitical – as well as economic – need to secure future gas agreements. Moreover, the boycott poses a significant risk to its attempts to diversify its economy beyond the energy sector on which it overwhelmingly depends. In April 2017 (i.e. before the embargo began) it had already decided to end its long-running moratorium on new gas developments.

The immediate impact of the embargo was a shock for Qatar, but its economy has since proved largely resilient. Imports and flights were immediately disrupted, as the country lost access to Quartet ports and airports. In June 2017, Qatar’s imports fell by 40 per cent by value compared with June 2016. Qatar Airways had to close 18 routes to neighbouring states, and its CEO said in March 2018 that he expected the airline to have incurred an unspecified ‘very large loss’ for the year.<sup>44</sup> Quartet countries withdrew their capital from Qatari banks; the central bank said non-resident deposits dropped by \$12.8 billion between May and December 2017.<sup>45</sup> Qatari citizens living in Arab Quartet countries were expelled, although exceptions were subsequently made for Qataris married to Quartet citizens, and for Qatari pilgrims to Mecca.

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<sup>43</sup> See for example Gloystein, H, and Tay, M. (2017), ‘Qatar signals LNG price war for market share in Asia’, Reuters, 5 July 2017, <https://www.reuters.com/article/us-qatar-lng-idUSK6BILLION19Q0YX> (accessed 30 Aug. 2018).

<sup>44</sup> Bryan, V. (2018), ‘Qatar Airways to report very large loss for current fiscal year: CEO’, Reuters, 7 March 2018, <https://www.reuters.com/article/us-qatar-airways-outlook/qatar-airways-to-report-very-large-loss-for-current-fiscal-year-ceo-idUSKCN1GJ1VJ> (accessed 30 Aug. 2018).

<sup>45</sup> Calculated from monthly data on commercial banks’ liabilities, from Central Bank of Qatar (2017), ‘Quarterly Statistical Bulletin’, December 2017, Table 14, <http://www.qcb.gov.qa/English/Publications/Statistics/Pages/Statisticalbulletins.aspx> (accessed 5 Mar. 2019).

In response, Qatar drew on its sovereign wealth fund, the Qatar Investment Authority (QIA), to inject liquidity into banks. The QIA is estimated to be worth around \$300 billion<sup>46</sup> – equivalent to more than \$1 million for each of Qatar's some 250,000 citizens. Qatar has also moved to create new shipping links to compensate for the loss of access to Quartet ports, and has ramped up imports through Turkey, Iran and Oman. Import costs increased, affecting food prices and disrupting the construction sector, but after the initial shock companies were generally able to adapt their supply chains: by the fourth quarter of 2017, imports were back up to pre-crisis levels.<sup>47</sup> Over subsequent months, Qatar concluded agreements with shipping lines from key Asian markets, including China, India and South Korea, to establish new routes between Doha and their major ports. Qatar Airways managed to establish new routes, and in March it acquired a 25 per cent stake in Moscow's Vnukovo International Airport, Russia's third largest airport (having bought a similar stake in St Petersburg airport in 2016).

While Qatar has largely staved off the immediate shock of the embargo, it faces risks in terms of long-term investor confidence. Although a net exporter of capital, the country is reliant on foreign investment to support its drive for economic diversification as it needs to acquire the technology and know-how to develop non-oil sectors. Its diminished share of regional trade will constrain confidence in some of these sectors, particularly those that are geared to regional demand.

Qatar's vast wealth is a double-edged sword for its diversification efforts. The country can leverage its sovereign wealth to build partnerships with international companies and to acquire technology, but its workforce is mostly imported and its citizens' salary expectations are entirely out of line with their productivity levels. Qataris enjoy one of the highest levels of GDP per head in the world, and receive extensive economic benefits from the state without paying taxes. Virtually all jobs in the private sector are occupied by expatriates, who make up over 85 per cent of the population. It is difficult for Qatar to identify economic niches where its citizens can compete internationally yet still maintain the level of income that they expect.

The sectors Qatar is targeting include food processing, pharmaceuticals and manufacture of construction materials, but few citizens will work in these sectors. It is also seeking to position itself as a centre for Islamic finance (banking being a sector in which Gulf nationals do tend to work) and to develop tourism; for both these sectors, the GCC market is important.

If the trade aspects of the rift escalate, Qatar could suffer further ill effects. So far, GCC countries have not explicitly asked international businesses to choose between them and Qatar, and many of these businesses operate with all parties to the dispute. Foreign governments have also emphasized that they intend to keep doing business with both sides. But in a tense climate, the countries of the Arab Quartet could yet be tempted to seek to enforce a secondary boycott. Qatar's market, with a GDP of \$152 billion, is less than half the size of the UAE's, and one-sixth of Saudi Arabia's.<sup>48</sup>

Qatar would therefore appear to have an interest in winding down the embargo, especially as the 2022 football World Cup approaches. In theory, the event could also present an opportunity for reconciliation with neighbouring states that could benefit from shared tourism offerings, or even potentially hosting some of the matches.

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<sup>46</sup> Official figures for the value of the QIA are not published, but estimates in late 2018 generally put this at around \$320 billion.

<sup>47</sup> Fyfe, R. (2018), 'The blockade is behind us, the future is LNG', MENA Advisors, 10 December 2018, <https://mena-advisors.com/2018/12/the-blockade-is-behind-us-the-future-is-lng> (accessed 5 Mar. 2019).

<sup>48</sup> Based on 2016 World Bank figures.



However, none of the parties is currently faced with sufficient economic costs to be forced into a compromise. Qatar is neither being compelled to comply, nor willing to be seen as giving up its foreign policy preferences at the behest of its neighbours. While there has been domestic criticism of its foreign policy, the maximalist approach of its neighbours has resulted in a rallying around the flag in Qatar, and an unprecedented outpouring of nationalist sentiment in one of the world's youngest countries. In the run-up to the one-year anniversary of the boycott, for instance, Qatar's economy ministry ordered local retailers to remove goods from the Quartet countries from their shelves.

### Qatar's policy changes

Qatar has changed its policies since the rift with its neighbours, but rather than changing its foreign policy to accommodate its neighbours' demands, it has instead focused on making itself a more attractive partner for Western and Asian countries, including by liberalizing its economy and making efforts to improve its poor record on labour rights.

Specifically on issues of extremism and terrorism, Qatar signed a memorandum of understanding on counterterrorism cooperation with the US in July 2017, shortly after the boycott began, and began a new counterterrorism dialogue with several US government departments.<sup>49</sup> It also reportedly agreed to place two US Department of Justice officials in its general prosecution.<sup>50</sup> Qatar has also emphasized its economic importance to the US; immediately after the crisis broke out, it signed a \$13 billion deal to buy fighter jets from the US, and in January 2019 the QIA confirmed that it was on track to invest some \$15 billion in the US over the next two years, in line with its earlier commitment to invest \$45 billion there in 2015–20.<sup>51</sup>

Concerned that the embargo will damage its attractiveness to investors and to talented migrants, Qatar has also said it will introduce permanent residency for some expatriates – likely to be longer-term, higher-skilled migrants – and has eased visa requirements for short-term visitors. In 2018 it passed a law to allow 100 per cent foreign ownership of companies in all sectors. Previously, foreign investors were obliged to have a Qatari partner.

Qatar has also taken steps to improve its record on migrant workers' rights, which had come under increasing external scrutiny as preparations for the 2022 World Cup brought the issue into the international media spotlight. In October 2017 it entered into a three-year programme of cooperation with the International Labour Organization (ILO, see Box 3), under which it has committed, *inter alia*, to ending the *kafala* sponsorship system for migrant workers in Qatar.<sup>52</sup> The ILO opened a project office in Doha to implement the programme in 2018. The International Trade Union Confederation welcomed the move, stating that Qatar appeared to be embarking on real reforms to end modern slavery. In February 2019 Amnesty International reported that despite 'nascent reforms', migrant

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<sup>49</sup> United States Department of State (2018), 'Country Reports on Terrorism 2017 – Qatar', 19 September 2018, <https://www.refworld.org/docid/5bcf1f87a.html> (accessed 5 March 2019).

<sup>50</sup> Finn, T. and Westall, S. (2017), 'U.S. to deploy officials in Qatar in counter-terrorism accord: sources', Reuters, 20 July 2017, <https://www.reuters.com/article/us-gulf-qatar-usa/u-s-to-deploy-officials-in-qatar-in-counter-terrorism-accord-sources-idUSKBILLION1A51ZD> (accessed 8 May 2018).

<sup>51</sup> Knecht, E. (2019), 'Qatar Investment Authority aims to reach \$45 billion in U.S. investments: CEO', Reuters, 13 January 2019, <https://www.reuters.com/article/us-qatar-investments-united-states/qatar-investment-authority-aims-to-reach-45-billion-in-u-s-investments-ceo-idUSKCN1P7090> (accessed 5 Mar. 2019)

<sup>52</sup> Background on the content of the programme can be found in International Labour Office (2017), 'Complaint concerning non-observance by Qatar of the Forced Labour Convention, 1930 (No. 29), and the Labour Inspection Convention, 1947 (No. 81), made by delegates to the 103rd Session (2014) of the International Labour Conference under article 26 of the ILO Constitution', 31 October 2017, [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_586479.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_586479.pdf) (accessed 5 Mar. 2019).

workers were still finding themselves vulnerable to abuses including forced labour and non-payment for months at a time.<sup>53</sup> The Qatari government has also said it will introduce new legislation to protect the rights of migrant domestic workers, who are particularly susceptible to abuse. The extent to which legal reforms will be implemented remains unclear, especially as migrant workers typically have very limited access to the justice system in the Gulf states.

The heightened international pressure seems to have strengthened those members of Qatar's political establishment who support such reforms against the entrenched interests of some of the country's major employers. This is in a context in which Qatar has made efforts to position the boycott as a human rights issue – asserting, for instance, that the 'blockade' is collective punishment – and has therefore wanted to strengthen its credentials with the international human rights community.<sup>54</sup> However, various reports have suggested that migrant workers have borne the brunt of the economic shock. There were reports in the early months of the crisis of workers in sectors such as tourism, construction and shipping being required to take extended periods of unpaid leave;<sup>55</sup> Furthermore, hikes in food prices will of course have had a disproportionate effect on low-paid workers.

### Box 3: Qatar's pledges to the International Labour Organization

- Employment contracts will be lodged with the government to prevent employers from unilaterally changing contracts to lower wages.
- Employers will no longer be able to stop their employees from leaving the country.
- A minimum wage will cover all workers regardless of race.
- Identification papers will be issued directly by the state rather than employers.
- Elected workers' committees will be established in each workplace.
- Qatar will establish a special disputes-resolution committee with a timeframe for dealing with grievances.

## Stoking societal conflict in the Gulf

State-linked media have propagated nationalistic and mutually hostile narratives about the dispute, while the Quartet governments have in some cases criminalized any expression of sympathy with Qatar. Now, with the rallying round the flag in all the countries concerned, it is more difficult for citizens to express a view opposing their governments' actions.

However, at least so far, the embargo seems to have had limited support at the societal level in Saudi Arabia and in Bahrain, although it is perhaps more popular in the UAE. Public opinion in the UAE is particularly difficult to evaluate because of the strength of legal and social taboos on publicly disagreeing with foreign policy. Nonetheless, there is a sense that Dubai is less supportive than Abu Dhabi because of the disruption to its trade and because it has traditionally pitched itself

<sup>53</sup> Amnesty International (2019), 'Qatar: Reality Check: The State of Migrant Workers' Rights with Four Years to Go Until the Qatar 2022 World Cup', <https://www.amnesty.org/en/documents/mde22/9758/2019/en/> (accessed 13 Mar. 2019).

<sup>54</sup> See for example Associated Press (2017), 'Qatar: Arab States' Blockade Is Collective Punishment', 16 June 2017, <https://www.voanews.com/a/qatar-arab-states-blockade-is-collective-punishment/3903339.html> (accessed 8 May 2018); and Al Jazeera (2017), 'NHRC: Qatar blockade worse than Berlin Wall', 16 June 2017, <https://www.aljazeera.com/news/2017/06/nhrc-qatar-blockade-worse-berlin-wall-170616105355463.html> (accessed 8 May 2018).

<sup>55</sup> Migrant Rights (2017), 'Qatari companies send workers on unpaid extended leave as Gulf crisis continues', 6 August 2017, <https://www.migrant-rights.org/2017/08/qatari-companies-send-workers-on-unpaid-extended-leave-as-gulf-crisis-continues/> (accessed 30 Aug. 2018).

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as a 'politics-free zone'. Those who sympathize with the Muslim Brotherhood are silent but not non-existent; in a 2014 poll (after the 'coup' arrests) 29 per cent of Emiratis interviewed said they had a positive view of the Brotherhood.<sup>56</sup>

In Saudi Arabia, people have much else to preoccupy them. Dramatic changes are under way on the domestic political scene and in the economy. In terms of foreign policy concerns, Yemen and Iran loom much larger. Some express a sense among Saudis that Qatar deserved some kind of pushback for its foreign policy positions and for the editorial line taken by Al Jazeera, but not the full scale of what has befallen it. Many Saudis have family members in Qatar, or who were previously studying there or doing business across the border, and whose personal lives have thus been disrupted by the rift between the two countries. In Bahrain, there is anecdotally some disquiet among the Sunni community in particular as many Sunni families in Bahrain have relatives in Qatar, who they can now only meet in third countries.

In Qatar itself, the Arab Quartet's approach appears to have turned the Qatari public against them, because the embargo has had the effect of punishing citizens as well as the government. This represents a significant missed opportunity for the Quartet. There has been some dissatisfaction inside Qatar with the foreign policy pursued by Emir Hamad and Hamad bin Jassim, as Qataris have suffered a considerable backlash in the wider Middle East for policies often seen as interfering.<sup>57</sup> One 2017 poll by the Washington Institute suggests lukewarm public attitudes among Qataris both towards the Muslim Brotherhood and towards Iran,<sup>58</sup> and these broad findings seem plausible given the lack of domestic Brotherhood presence in Qatar, as well as the traditionally widespread negative views of Iran among the Qatari intelligentsia and media. These factors might have presented an opportunity for the Quartet countries to use public diplomacy to encourage Qataris to press for changes in their country's foreign policy. Instead, however, the Quartet's blanket approach to punishing Qatar has encouraged Qataris to rally round their emir, and a generation of young Qataris has become more politicized as a result.

The ongoing stand-off is also characterized by a massive misinformation contest. A conflict that began with a well-orchestrated media hack has been further stoked by layer upon layer of propaganda and fake news. In some cases, too, professional standards have been badly compromised by Gulf media organizations.<sup>59</sup> Diplomats' time is consumed simply trying to figure out the basic facts. Even as Gulf governments talk about improving education among their nationals, and in some cases advocate for building up skills in critical thinking, the crisis has led them to foster a barrage of misinformation directed at their own nationals to dissuade or actively deter them from expressing critical or independent views. Competing versions of history are being promulgated, dragging up old border disputes and tribal battles.<sup>60</sup>

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<sup>56</sup> Pollock, D. (2014), 'New Poll Shows Majority of Saudis, Kuwaitis, Emiratis Reject ISIS, Back Two-State Solution with Israel', Washington Institute, 23 October 2014, <http://www.washingtoninstitute.org/policy-analysis/view/new-poll-shows-majority-of-saudis-kuwaitis-emiratis-reject-isis-back-two-st> (accessed 8 May 2018).

<sup>57</sup> When asked in a June 2012 survey to name 'the most important problem Qatar faces today', only 5 per cent of citizens identified political issues. Yet, of these, more than 70 per cent referred to Qatar's interventions abroad, which respondents faulted variously for 'solving other countries' problems,' 'paying a lot of money for other countries,' '[earning the] criticism of other Arab countries,' and, most commonly, 'making new enemies.' Gengler, J. (2012), 'The High Costs of Qatar's Western Orientation', *Middle East Policy*, 19(4), <https://www.mepc.org/political-costs-qatars-western-orientation> (accessed 8 Jul. 2018).

<sup>58</sup> Pollock, D. (2017), 'Survey: Qatari Public Wants Compromise, Not Iran's Help', Policy Alert, The Washington Institute, 2 October 2017. <https://www.washingtoninstitute.org/policy-analysis/view/survey-qatari-public-wants-compromise-not-irans-help> (accessed 7 Nov. 2018).

<sup>59</sup> The author's own experience of this has ranged from being asked blatantly leading questions to having quotations completely fabricated.

<sup>60</sup> For instance, in July 2018, the Bahraini think-tank Derasat held a conference on 'Al Khalifa Rule in the Qatari Peninsula ... History and Sovereignty', which called on Bahrain to assert a claim to Al Zubara in the Qatari peninsula, which was once ruled by the Al Khalifa. It referred to 'the oppressive Qatari occupation of sovereign Bahraini territories'. The border dispute between the two countries had been thought settled by a 2001 ruling of the International Court of Justice. Al Zarooni, M. (2018), 'Conference urges Bahrain to stake claim for lands under Qatar control', *Khaleej Times*, 1 July 2018, <https://www.khaleejtimes.com/region/conference-urges-bahrain-to-stake-claim-for-lands-under-qatar-control>.

The impact of the crisis on people-to-people relations has a high social cost, creating a fresh identity conflict for young people of the region who are for the first time experiencing conflicts between their national and wider Gulf identities. Government-led propaganda campaigns risk deepening societal conflicts. This is short-sighted within a group of small states that are so geographically close and that have such intertwined histories.

### Attitudes to the crisis in Kuwait and Oman

Kuwait and Oman have sought to tread a middle ground in the crisis since mid-2017, and to pursue a mediation role. Each state has its own objections to Qatari foreign policy. Kuwait has complained that Qatar – and especially Al Jazeera – has supported the Kuwaiti opposition, while Oman does not permit the Muslim Brotherhood (or any political parties). At the same time, the tactics used against Qatar have given rise to a sense of vulnerability in other small Gulf states, particularly Oman, and a fear that similar pressure could one day be brought to bear on them.

**The tactics used against Qatar have given rise to a sense of vulnerability in other small Gulf states, particularly Oman, and a fear that similar pressure could one day be brought to bear on them.**

Kuwait's primary concern has been the damage done to the institution of the GCC, especially at a time of so many regional crises. It has taken the position that, while the Arab Quartet countries have some legitimate grievances, the GCC should be capable of resolving differences between its members around a table. Kuwait's emir, Sheikh Sabah, engaged in shuttle diplomacy at the outset of the crisis, and Kuwaiti parliamentarians and civil society have credited him with preventing the dispute from escalating further. As already noted, Kuwait managed to secure attendance from all the GCC members at the organization's December 2017 summit, but Quartet heads of state stayed away and the summit dispersed early with no substantive statements made.

From the outset, Kuwait's parliamentarians have also expressed sorrow at the rift within the GCC.<sup>61</sup> Some Kuwaitis have voiced concerns that their country could come under pressure from its neighbours because of the relative assertiveness of its parliament – members of which sometimes criticize other GCC countries. The Muslim Brotherhood notably plays an active role in Kuwaiti politics and cultural life, along with other Islamist and liberal opposition movements.<sup>62</sup> Since 2013, moreover, Kuwait's Brotherhood seems to have toned down some of its criticism of the government, apparently seeing itself as better off there than in most other Gulf countries.

The Muslim Brotherhood (like all political movements) is banned in Oman. But while Muscat has also had its concerns about Qatar's foreign policy activism, it believes – like Kuwait – that contentious issues can be settled through diplomacy between the GCC leaders. Oman also has its own concerns that the Qatar crisis could set a precedent for pressure on other smaller Gulf states that tend to

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<sup>61</sup> See for example *Kuwait Times* (2017), 'MPs urge Kuwait government mediation in new GCC spat', 5 June 2017, <http://news.kuwaittimes.net/website/mps-urge-kuwait-mediation-new-gcc-spat-kuwait-government-sets/> (accessed 8 Jul. 2018).

<sup>62</sup> Kuwaitis have also at times had concerns that their neighbours might interfere in parliamentary politics or try to influence the succession. The Kuwaiti opposition was fiercely critical of a former prime minister, Sheikh Nasser bin Mohammed Al Sabah, who was seen as a potential contender to the throne and was also seen by other Gulf countries as sympathetic towards Iran. One of his critics was opposition leader Musallem Al Barrack, formerly one of the country's most popular parliamentarians, who was sentenced to jail in 2015 for insulting the emir. Al Barrack spent the last two years in exile not in Qatar, but in Saudi Arabia. This prompted some speculation that Saudi Arabia was sympathetic to the forces opposed to Sheikh Nasser because he was seen as relatively pro-Iranian.

pursue an independent line in foreign policy. More specifically, one of the Arab Quartet's demands of Qatar has been that it cut diplomatic ties with Iran, with which Oman has a long-standing cooperative relationship.

Omanis, both inside and outside government, are acutely aware that their country has fewer strategic resources than Qatar, and have expressed concerns that Oman could not necessarily count on the support of its traditional Western allies should it find itself isolated as Qatar has been.<sup>63</sup> There is also a growing narrative that the two states' neighbours, especially the UAE, do not respect their sovereignty and independence.<sup>64</sup>

Such concerns could result in Oman pursuing closer ties with other potential allies, such as Iran, China or Russia. It could also create internal divisions if Sultan Qaboos's policy of neutrality comes to be regarded as unsustainable. There is, too, the context of the eventual succession to Qaboos. That the identity of his successor is not yet known creates some uncertainty as to the future direction of Muscat's foreign policy, both within the region and globally.

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<sup>63</sup> Omanis and Kuwaitis alike are disappointed that their long-standing Western allies have not done more to end the current crisis. They see the UK in particular as a country that ought to have used its expertise and influence to mediate more actively.

<sup>64</sup> For instance, when a map displayed in Abu Dhabi's Louvre museum omitted (purportedly in error – the map was subsequently corrected and replaced) Qatar and showed Oman's Musandam peninsula to be part of UAE territory, this prompted anger and anxiety on Omani social media as well as in Qatar. Omanis speculate about intelligence agencies encouraging dissent among salafist minorities, or the UAE potentially buying influence by offering economic benefits and even citizenship to Omani citizens.

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## 4. The Wider Regional Impact

Even if the Arab Quartet's boycott of Qatar is resolved, it is likely that deep divisions and mistrust among the GCC countries will remain an enduring feature of wider regional politics. This adds further complexity to a region that is already beset with civil wars and insurgencies, as well as witnessing mounting tensions between Iran and Saudi Arabia.

Rather than regarding the GCC as their primary regional alliance, its members are now pursuing new alignments. The current crisis has catalysed and strengthened two bilateral alliances between small states and larger powers: between the UAE and Saudi Arabia, formalized in their 2017 strategic partnership; and between Qatar and Turkey, underscored by Turkey sending a small contingent of troops to Qatar when the blockade was announced. (Turkey and Qatar had already agreed in 2014 that Turkey would establish a military base in Qatar, as part of a bilateral defence agreement that they signed that year; and some Turkish troops were deployed there in 2016. This was one of the issues that the Arab Quartet raised in their dispute with Qatar: their 13 demands included that Qatar close the base. It is Turkey's first modern base in the Gulf, although in the late 19th century Qatar came under the Ottoman Empire.)

For the most part, however, the new regional alignments will be shifting, issue-based coalitions rather than hard alliances: different groups of countries will work together on different issues. For instance, Qatar has aligned itself with Turkey and Iran for pragmatic reasons, to protect itself against the embargo imposed by the Quartet of UAE, Saudi Arabia, Bahrain and Egypt. At the same time, Qatar and Turkey have sided with Sunni Islamist factions in Iraq that are opposed to Iran's closest allies there. On Syria, Qatar is on the opposite side to Iran, while Egypt has little interest in regime change. Egypt has also in effect counselled caution to Saudi Arabia over Lebanon, in the interests of avoiding further escalation in the region; and it is far more concerned with Sunni Islamist opposition than with Iran. On the issue of Jerusalem, moreover, Kuwait and Jordan – normally closely aligned with Saudi Arabia and the UAE on regional politics – have been closer to the Turkish and Qatari position.<sup>65</sup>

These shifting allegiances also reflect an increasingly multipolar global context. Each of the GCC countries wants to hedge its bets diplomatically, and also wants to do business with a widening range of partners. Thus, for example, even the most pro-US powers in the region are also working closely with Russia.

### Most Arab countries have stayed neutral

Few other Arab countries have either joined or denounced the embargo. There are three reasons for this.

First, for the various Middle Eastern countries that are themselves caught up in conflict the main fault lines are not over political Islam and secularism, the issues that primarily divide the GCC. To most of them, the Saudi–Iranian 'cold war' is far more important than are the intra-GCC rivalries

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<sup>65</sup> Kuwait and Jordan sent their heads of state to the extraordinary summit of Muslim countries convened in Turkey to discuss Jerusalem in May 2018, in response to the US's decision to move its embassy in Israel from Tel Aviv.

(the exception is Libya, where Qatar and UAE have strongly backed different sides). In Lebanon, one of the most politically divided countries in the region, Prime Minister Saad Hariri responded to the Gulf crisis by emphasizing the country's long-standing policy of 'positive neutrality' towards other Arab countries.<sup>66</sup> With regard to Yemen, Syria and Iraq, the GCC states have more in common than they do dividing them. Saudi Arabia and the UAE have been willing to work with various groups of Sunni Islamists in all three countries. In Yemen, Qatar was part of the Saudi-led coalition until the start of the GCC crisis, when Saudi Arabia expelled it. Since then, Qatari officials have criticized the war, and Al Jazeera has focused on the humanitarian impact of the conflict. But Doha's new-found opposition to the war has been an opportunistic response to the crisis, and an indication of how the Gulf states are reframing their interests in zero-sum terms.

Libya is the main instance in which the UAE and Qatar find themselves on different sides of a 'hot' conflict, respectively backing General Khalifa Haftar and more Islamist forces. The Islamist–secularist line is also critical in the Palestinian context, but the dispute within the GCC has had a more limited impact on the already polarized relations between Fatah and Hamas. This may reflect cynicism about the degree to which any of the GCC countries actively pursue Palestinian interests.<sup>67</sup>

Second, for most Arab countries, economic interests imply working with both sides in the GCC crisis. Investment, tourism, aid and remittances from the GCC states play a major role across the Arab economies. Egypt, as a members of the Quartet, has cut diplomatic relations and ended visa-free travel for Qataris, but notably has not turned against Qatari investments, nor has it recalled its estimated 300,000 citizens who work in Doha. In June 2017 Egypt's investment minister was reported as saying that Qatari investments were protected by law.<sup>68</sup> As the Qatar dispute (and the more recent Saudi–Canadian spat) have demonstrated, economic ties with the GCC states can be vulnerable to sudden political changes. This is another reason why other Arab states tend to hedge their bets by seeking support from a broad range of Gulf states.<sup>69</sup> For instance, Jordan, which has sided with Saudi Arabia against Iran, welcomed aid from Qatar, as well as from Saudi Arabia, the UAE and Kuwait in response to anti-austerity protests in 2018.

Third, while the UAE, Saudi Arabia and Egypt now take a 'zero-tolerance' approach to political Islam, many other Arab countries do not view the issue in such binary terms. Whereas all three have banned the Muslim Brotherhood, and Qatar's Brotherhood movement dissolved itself some years ago, other Arab governments typically find some way to give nonviolent Islamists limited political space.<sup>70</sup> They try to manage them by offering a measure of tolerance combined with a dose of repression, rather than banning them.<sup>71</sup> In Tunisia, moreover, En-Nahda – which was traditionally associated with the Muslim Brotherhood and whose spiritual leader, Rachid Ghannouchi, has been one of the movement's most influential thinkers – was elected to power after the Arab uprisings and subsequently peacefully

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<sup>66</sup> *Asharq Al-Awsat* (2017), 'Hariri: Economy, Electricity Are Government's Priorities', 8 June 2017, <https://eng-archive.aawsat.com/theaawsat/news-middle-east/hariri-economy-electricity-governments-priorities> (accessed 5 Mar. 2019).

<sup>67</sup> At a 2017 Chatham House roundtable, a former Palestinian politician said the Palestinians did not want to take sides in the Gulf crisis, adding 'we love all of them' in a manner that indicated the opposite.

<sup>68</sup> Reuters (2017), 'Egypt says Qatari investments in Cairo protected by law', 7 June 2017, <https://www.reuters.com/article/us-gulf-qatar-egypt-investments-idUSKBN18Y0VL?mod=related&channelName=worldNews> (accessed 5 Mar. 2019).

<sup>69</sup> This is not entirely new; GCC countries have long used their aid or government contracts to wield power, and at times they have used expatriate workers (and the loss of their remittances) as instruments of foreign policy.

<sup>70</sup> In many countries, Muslim Brotherhood movements are estimated to enjoy the support of some 20–30 per cent of the population.

<sup>71</sup> Lust-Okar, E. (2004), 'Divided They Rule: The Management and Manipulation of Political Opposition', *Comparative Politics*, 35(2), explores the record of Jordan and Morocco in effectively managing and dividing political opposition movements into 'moderate' and 'radical' factions, thereby fragmenting them over tactics.

voted out.<sup>72</sup> In Morocco, the Justice and Development Party is the largest party in parliament. In Jordan, the Islamic Action Front won 12 per cent of seats in parliament after several years of restrictions and boycotts began to ease in 2016, and Islamist parliamentarians have encouraged the government to maintain good relations with Qatar. In Algeria, Islamist parties have never recovered from the civil war that broke out after an elected Islamist government was prevented from taking office by the military in 1991, but the Brotherhood-aligned Movement for a Society of Peace is permitted to operate – albeit with little electoral success. These examples are included to indicate that several Arab governments are trying to accommodate Islamists while also controlling and constraining them; policies are less clear-cut than the ‘with us or against us’ rhetoric of the Arab Quartet implies.

Beyond the GCC, many Arab governments are frustrated with Qatar. Its foreign policy and support for Sunni Islamist groups has been widely criticized, even if the groups it was closest to are now mostly out of power. Moreover, Al Jazeera has angered virtually every Arab government at one time or another. But, not least because they are preoccupied with their internal political and economic issues, they have developed pragmatic coping mechanisms to balance the geopolitical demands of larger regional and international powers, and to hedge their bets rather than fully taking sides in other people’s disputes. They have thus been relatively resistant to being drawn into the conflict between the Arab Quartet and Qatar.

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Qatar has hitherto sought to counter the influence of the Quartet internationally mainly through its soft power – chiefly by means of its media and lobbying, and its ability to dispense foreign aid and sovereign investment. It has few, if any, hard power options. By contrast, the UAE has a larger economy and a far more professionalized military, and it is building up hard power in Libya, Yemen and the Horn of Africa.

The intensive competition for influence has had particularly polarizing effects in the Horn of Africa. This is especially evident in the case of Somalia’s fragile political transition and state-building processes, as the UAE, out of favour with the central government in Mogadishu, has made agreements to establish a military base and port contract directly with the secessionist state of Somaliland, while Qatar has encouraged the central government to break ties with UAE. The GCC countries can play a positive role in developing the Horn of Africa region economically, and the UAE and Saudi Arabia were key brokers of the 2018 peace agreement between Ethiopia and Eritrea, helping to end a conflict long seen as intractable. However, the position and reputation of the Gulf countries in the Horn of Africa has been undermined by the opposing sides’ desire to score points against each other, and by the perception that chequebook diplomacy by the GCC states reinforces problems of patronage in countries that critically need transparency and institution-building.<sup>73</sup> In Sudan, where long-time president Omar al-Bashir was overthrown by the military in April 2019 in response to popular protests and a deep economic crisis, diplomats are concerned that the GCC tensions will play out in the country to the detriment of Sudan’s national interests.

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<sup>72</sup> In 2016 En-Nahda announced it was separating politics from preaching and that its political leaders could no longer speak in mosques.

<sup>73</sup> Author conversations with international organizations and diplomats in Kenya, September 2018.



## 5. Western Reticence

There is an international consensus that the GCC crisis should be resolved through dialogue, but few international actors have done much to facilitate this. Indeed, the current rift highlights the reluctance of most international powers to press the GCC governments to resolve their differences. This has resulted in some cynicism in the region, where there is a widespread narrative that Western powers want to ‘divide and rule’ the Arab world – and where Western profits from arms sales are noted.

Rivalries between Gulf powers are not new. They have a long history of territorial disputes, as well as of political and personal differences. But two factors make the current crisis different. First, the GCC countries now have an unprecedented international reach because of their critical place in global energy and investment flows, as well as greater foreign policy ambitions. Second, from the 19th century until their withdrawal in 1971, rivalries within the Gulf were largely managed by the British, in the chief interest of preventing disruption to trade.

European countries, including the UK, doubt their political leverage over the new leaders of the region, especially in Saudi Arabia and Abu Dhabi. For the most part, European governments judge that the main protagonists are not in any mood to sit down together, and that those in Saudi Arabia and the UAE are not inclined to listen to foreign advice. They also fear that putting pressure on GCC leaders will backfire in terms of trade and investment. Thus, they reserve what political capital they have for ‘hard’ discussions on Iran and Yemen, while continuing to compete among themselves for Gulf business and investment.

The US – the key external actor – has taken a confused and inconsistent approach from the onset of the crisis. President Trump tweeted his strong support for the Arab Quartet, and speculated that its actions against Qatar could be the beginning of the end of terrorism.<sup>74</sup> However, this did not translate into a policy change, especially on the part of the defence establishment. As already noted, the US air force’s main Middle East base is in Qatar (there are unverified claims among US policy experts that Trump did not recall that Qatar hosts the base when he tweeted his support for the Quartet), and less than two weeks after the boycott began the two countries reached a \$12 billion deal for Qatar to buy F-15 fighter jets from the US.<sup>75</sup> As the embargo began, the then US ambassador to Qatar, Dana Shell Smith, tweeted examples of its counterterrorism cooperation; she resigned her post shortly afterwards.

The mixed messages from the Trump administration reflected the wider disarray in its foreign policy. Trump stated in September 2017 that he would mediate, but so far this effort has not materialized. The then Secretary of State Rex Tillerson pushed for a summit to discuss the issues with GCC leaders, but made no progress before being dismissed in March 2018. His successor, Mike Pompeo, has also called for the GCC states to resolve their dispute, in the context of the US desire for the bloc to take a tougher line against Iran. The US proposed to bring the GCC leaders together in the US in September 2018, and to convene them with Egypt and Jordan to discuss a proposed Middle East

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<sup>74</sup> Wintour, P. (2017) ‘Donald Trump tweets support for blockade imposed on Qatar’, *Guardian*, 6 June 2017, <https://www.theguardian.com/world/2017/jun/06/qatar-panic-buying-as-shoppers-stockpile-food-due-to-saudi-blockade> (accessed 5 Mar. 2019).

<sup>75</sup> *Telegraph* (2017), ‘Qatar signs \$12bn deal to buy US fighter jets days after Trump accused it of sponsoring terrorism’, 15 June 2017, <https://www.telegraph.co.uk/news/2017/06/15/qatar-signs-12-billion-deal-buy-fighter-jets-us-frayed-diplomatic/> (accessed 5 Mar. 2019).

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Strategic Alliance (MESA) in October 2018. MESA, sometimes hyperbolically dubbed an ‘Arab NATO’, is a US initiative that is intended to bring together the militaries of the Gulf, Egypt and Jordan for joint cooperation. This is largely meant to send a political signal to Iran, although it does not appear that Iran takes it very seriously. MESA has also been mooted as a possible avenue for eventually strengthening cooperation between Gulf countries and Israel, but this is a distant prospect. The US has managed to convene senior military officials from the six GCC countries, but not the high-level political meetings that were envisaged.

US diplomats express concern that the rift in the GCC is an impediment to their aim of building a more united Arab front against Iran – the containment of which is a preoccupation of the US administration (and, as noted above, a major driver of the proposed MESA). In October 2017 the US suspended its participation in the planned ‘Iron Falcon’ military exercise with GCC allies, hosted by the UAE, from which Qatar was excluded. The GCC crisis is also a central obstacle to advancing an integrated missile defence system for the Gulf states.<sup>76</sup> There were reports in October 2018, as the US prepared to start implementing international sanctions on Iran’s oil trade, that US officials were pressing Saudi Arabia to end the boycott of Qatar; and Secretary of State Pompeo visited Qatar in January 2019 and called for an end to the rift.

**The US may not see GCC divisions as a serious threat to its own strategic interests. Oil, gas and arms continue to flow regardless. There are even some potential benefits.**

Yet the US may not see GCC divisions as a serious threat to its own strategic interests. Oil, gas and arms continue to flow regardless. There are even some potential benefits: most notably, the US has seen the crisis as an opportunity to enhance counterterrorism cooperation with Qatar, while keeping up pressure on other GCC states to do more to combat terrorist financing. To demonstrate its own good behaviour, Qatar has also relaxed restrictions on foreign investment and has promised reforms to workers’ rights. And it is widely held in the region that the US is happy for Gulf countries to squabble as long as it continues to profit from arms sales there – a perception that is reinforced by President Trump’s frequent (exaggerated) references to the revenue and jobs generated in the US by arms deals with Saudi Arabia.

In terms of business priorities, in 2017 the Arab Quartet countries formally assured the US that its companies would not suffer discrimination for doing business with Qatar; they also reportedly made similar verbal assurances to the EU.

Similar interests are shared by other international powers. They do not buy into the Arab Quartet’s contention that Qatar is being isolated for its support of extremism. Rather, they want to work with Doha on counterterrorism. At the same time, they do not want to jeopardize their relations with the Quartet. Virtually every major external power involved in the Gulf has thus remained neutral in the dispute, and has called for it to be resolved.

Some GCC states (especially Oman and Kuwait) have expected the UK to play a greater role, given its history and expertise in the region. The crisis illustrates how greatly the British role has changed.

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<sup>76</sup> Rose, F. (2018), ‘If Trump is serious about addressing the Iranian ballistic missile threat, he should enhance multilateral missile defense cooperation with Gulf states’, Brookings Institute, 20 June 2018, <https://www.brookings.edu/blog/order-from-chaos/2018/06/20/if-trump-is-serious-about-addressing-the-iranian-ballistic-missile-threat-he-should-enhance-multilateral-missile-defense-cooperation-with-gulf-states/> (accessed 8 Jul. 2018).

As an imperial power, the UK demarcated the borders of present Gulf states and prevented them from advancing various disputes, and some of the older generation in the smaller GCC states remember the period of British protection and influence. Generational change in the Gulf, and the rapid enrichment of its elites (who have leveraged oil wealth for financial capital and consequent economic power) have meant that the UK's political weight has been diminished for some time.<sup>77</sup> It is notable, too, that some GCC observers see Brexit as intensifying this diminution.

Western – especially US – support remains vital for all the GCC members across a wide spectrum of security concerns, above all against conventional military threats that might emanate from larger neighbours and against cyberattacks, as well as for developing the capacity of their own militaries. But the threat perceptions of the GCC states seriously diverge from those of their Western allies when it comes to the role of domestic opposition movements. In the Gulf, concepts of security threats often blur the lines between domestic and foreign, and between violent and non-violent. Domestic opposition movements are portrayed as a 'Trojan horse' for external enemies, while critical media reports or statements by foreign governments on human rights are depicted as violations of sovereignty. The Arab Quartet's grievances against Qatar range from the country's support for certain violent non-state armed groups in Syria and Iraq to its allowing Gulf dissidents on Al Jazeera. For Western governments that tolerate the Muslim Brotherhood, give asylum to political refugees from many countries globally and promote freedom of speech, the security calculations are very different.

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<sup>77</sup> Among their tools are sovereign wealth funds, which have their origin in a Kuwaiti account at the Bank of England. This became the Kuwait Investment Authority, the world's first sovereign wealth fund.

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## 6. Conclusions

Most observers assume the most likely scenario is that the dispute between Qatar and its Gulf neighbours will settle into a holding pattern for several years, with most outside parties trying to maintain relations with both sides. Neither side seems willing to compromise; neither is hurting enough to break the stalemate; each appears convinced it is right; and there is limited international pressure to negotiate a solution. Paradoxically, the two countries in the region that appear to have the greatest chance of political stability – Qatar and the UAE – will be actively undermining each other, to the considerable detriment of the GCC's long-standing reputation for business-focused political stability. That said, the dynamics could still change quickly, since the politics that are driving the current stand-off are so highly personalized among a handful of senior leaders whose calculations could change in the face of any shocks or surprises affecting regional politics.

### Risks of escalation

While it is usually assumed that the situation is a stalemate, there are risks of escalation. In January 2018, for instance, the UAE and Qatar made rival assertions that, by Qatar's account, UAE fighter jets had infringed on Qatar's airspace, and, by the UAE's, that Qatar had harassed civilian aircraft;<sup>78</sup> and there have been similar claims and counterclaims over fishing boats. The risks of such incidents are particularly high in the small area that the GCC countries share, and tensions are high in the context of (unconfirmed) reports that the UAE and Saudi Arabia had considered a military invasion of Qatar.<sup>79</sup>

Another way the situation could escalate is if Qatar were to become more involved in supporting opposition movements in its Gulf neighbours. Already, the Qatari-funded media now offers more of a platform for criticism of other Gulf countries than it has ever done previously. Qatar does not have much organized opposition for the UAE or Saudi Arabia to back, but the Arab Quartet countries have given a platform to dissident members of its royal family. This began with Sheikh Abdullah bin Ali Al Thani,<sup>80</sup> but in an odd episode in January 2018 he was filmed in Abu Dhabi saying that he was detained there, and then left the country.<sup>81</sup> More recently, the son of a former crown prince has been featured in the media in Quartet countries, alleging that his father was poisoned by the former Qatari emir, Sheikh Hamad.<sup>82</sup>

So far, Western government assessments suggest that Qatar's main response to the embargo appears to have been to lobby against the Quartet and deploy its media against them. But there could be further escalation if it started to give substantive support to non-state armed groups that Quartet countries are fighting. The UAE's military has become more extended in the region in recent years,

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<sup>78</sup> See e.g. Lampert, A. and Cornwell, A. (2018), 'U.N. aviation agency eyes talks, meeting to defuse Gulf airspace standoff', Reuters, 29 March 2018, <https://uk.reuters.com/article/uk-gulf-qatar-un/u-n-aviation-agency-eyes-talks-meeting-to-defuse-gulf-air-space-standoff-idUKKBN1H52W5> (accessed 15 Mar. 2019).

<sup>79</sup> For examples, see footnote 41.

<sup>80</sup> Sheikh Abdullah was for a time lionized in Saudi and UAE media as a potential contender for the throne. He praised Saudi Arabia and was held up as the figure responsible for negotiating for Qataris to obtain visas for the hajj despite the crisis.

<sup>81</sup> *Telegraph* (2018), 'Qatari royal says he is being held against his will in UAE', 14 January 2018, <https://www.telegraph.co.uk/news/2018/01/14/qatari-royal-says-held-against-will-uae/> (accessed 5 Mar. 2019).

<sup>82</sup> See for example Al Dakhil, T. (2018), 'Sheikh Sultan bin Suhaim: Hamad bin Khalifa poisoned my father', *Al Arabiya*, 7 March 2018, <https://english.alarabiya.net/en/News/gulf/2018/03/07/Sheikh-Sultan-bin-Suhaim-Hamad-bin-Khalifa-poisoned-my-father.html> (accessed 5 Mar. 2019). (The author of this article, Turki Al Dakhil, was appointed as Saudi Arabia's ambassador to the UAE in February 2019.)

and there are some concerns that if it is overstretched this may create vulnerabilities. Meanwhile, 2019 has seen a revival of public protests in several Arab countries, particularly in Algeria and Sudan, where protesters have called for long-standing rulers to step down, in a manner reminiscent of the 2011 Arab uprisings. If there are further contested political transitions in the region, Qatar and the Quartet may sometimes find themselves on different sides. It is also quite possible that individuals or groups who are seeking power will court either Qatar or the Quartet for financial support, promising to be staunch allies in the future.

### Prospects for resolution

Several factors could drive the parties to begin unwinding the tensions:

#### *A US-driven 'cold peace'*

As the pre-eminent security ally for all the countries concerned, the US could make a difference. US ambitions to build a Middle East Strategic Alliance of Arab states – largely as a signal to Iran – could at least bring Qatar and the countries of the Arab Quartet around the same table in pursuit of a larger cause – even if it is uncertain how active or significant the alliance may be in reality. As part of this effort to convene an anti-Iranian bloc, the US may push for the embargo to be wound down and for Qatar, in return, to curb its recently strengthened ties with Iran.

**As part of this effort to convene an anti-Iranian bloc, the US may push for the embargo to be wound down and for Qatar, in return, to curb its recently strengthened ties with Iran.**

But even if the embargo does come to an end, the recent events will mean an enduring legacy of mistrust among leaders in Qatar, the UAE and Saudi Arabia who may be in charge of their countries for decades to come. The longer the divisions last, the greater the risk that they will also be entrenched within societies, circumscribing leaders' future options.

#### *Economic necessity*

With all the GCC countries needing to focus on diversifying their economies, economic factors could bring about at least the restoration of trade and transport links between the two sides. The rift took investors by surprise, and disrupted business activity; it has thereby added to investors' perceptions of political risks for the Gulf as a whole.<sup>83</sup>

The countries of the Arab Quartet could come to take the view that their embargo, in making no distinction between leaders and ordinary citizens, has backfired by encouraging Qataris to rally round their government. If they were to focus more on public diplomacy, they could ease the embargo as a sign of goodwill to the Qatari public (which would also have benefits for their own economy) without necessarily reaching a resolution on all of the political issues.

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<sup>83</sup> The IMF noted in October 2017 that medium-term growth in all the GCC economies could weaken if the rift is protracted: 'The diplomatic rift between Qatar and several other countries is expected to have a limited impact on growth in the region at this stage ... although a protracted rift could weaken medium-term growth.' IMF (2017), *Regional Economic Outlook: Middle East and Central Asia*, October 2017, p. 20, <https://www.imf.org/~/media/Files/Publications/REO/MCD-CCA/2017/October/MENAP/mcd-printer-without.ashx?la=en> (accessed 19 Mar. 2019).

A more comprehensive solution could involve a resumption of trade and transport ties, mutual investments (such as Qatar's sovereign wealth fund investing in some of Saudi Arabia's Vision 2030 projects), joint energy projects (the UAE relies on Qatari gas, while Saudi Arabia and Bahrain are both in need of new gas supplies).

There could also be joint tourism initiatives linked to Qatar's hosting of the football World Cup in 2022. The World Cup could potentially be an occasion for overcoming differences, especially because citizens from the Quartet will naturally want to attend. The chairman of the UAE's General Authority for Sports, Mohammed Khalfan al-Romaithi, a former Abu Dhabi police chief who is standing for the presidency of the Asian Football Federation, has suggested football could bring the countries back together and said in January 2018 that the UAE would be open to co-hosting the World Cup if the rift was resolved.<sup>84</sup>

The GCC's external partners could, meanwhile, offer incentives, including the ability to resume trade negotiations as a bloc, and further defence cooperation with the GCC as a whole.

### *External shocks*

External shocks could force the GCC countries to work together again. In 2014 the tensions between Qatar and some of its neighbours were reduced partly because they saw a common threat in the rise of ISIS. Subsequently, in 2015, they saw a common interest in working together to intervene in Yemen.

If other issues destabilize the wider region, their calculations could again change. In the event of a conflict between the US and Iran, for instance, it might become untenable for Qatar to maintain its relations with the latter; or a collapse in oil prices might yet force economic cooperation among the GCC states higher up the political agenda. (There was some speculation following the assassination of the journalist Jamal Khashoggi, in Istanbul in October 2018, that the damage done to Saudi Arabia's international reputation might prompt it to mend fences with Qatar, perhaps as part of a political deal with Turkey, which had access to intelligence about the Saudi role in the killing. However, this did not materialize.)

Taking account of all these factors, elements of a solution could include the following:

- The GCC leaders would recognize that they need to demonstrate their capacity to mediate, negotiate and arrive at solutions if they are to be credible as leaders in a region beset by multiple conflicts. The propaganda war has damaged all of them, and is a poor use of resources.
- Each would also publicly recognize that other Arab states are entitled to hold different positions on the role of Islam in their politics, constitutions and legislation. These differences should be respected as part of the right of independent, sovereign states to self-determination.
- At the same time, the GCC states should each undertake not to undermine each other's security. Since concepts of security differ from country to country, this commitment would need to be defined in far greater detail than was set out in the brief and sketchy 2013–14 Riyadh agreements. A formulation would need to be found to accommodate security concerns and show goodwill, without insisting that all GCC countries deny a voice to every critical journalist or scholar.

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<sup>84</sup> Cornwell, A. and Mulvenney, N. (2019), 'Soccer: UAE open to co-hosting World Cup if Qatar rift resolved – sports chief', Reuters, 22 January 2019, <https://www.reuters.com/article/us-fifa-worldcup-emirates/soccer-uae-open-to-co-hosting-world-cup-if-qatar-rift-resolved-sports-chief-idUSKCN1PG165> (accessed 5 Mar. 2019).

- Media professionalism and standards in the region have been badly damaged and are in urgent need of repair. The countries of the Arab Quartet object to Al Jazeera because they are unused to such criticism from their own media, and also because they see the channel as politicized and partisan. As a result of the dispute, the politicization of the media has intensified on both sides. This, in turn, has held back the development of credible media that can explain the region to international audiences. The GCC states should bring in – and uphold – new media standards based on international best practice, with advice and training on impartiality and governance from established broadcasters, such as the BBC and France 24, that have strong institutional structures to safeguard their own independence.
- The GCC states would also press ahead with a ballistic-missile-defence system in coordination with the US to shore up their defences against potential future threats from Iran. At the same time, they would accept that not all members will cut their ties with Iran, and that the maintenance of dialogue by some could be a useful channel in the future. They would also agree a shared set of messages about what the GCC regards as acceptable behaviour by Iran in the region, thereby strengthening their negotiating position as a collective.

## About the Author

**Jane Kinninmont** is a political analyst and economist who specializes in the Middle East. Since 2018 she has been head of programmes at The Elders, an independent group of global leaders founded by Nelson Mandela to work for peace and human rights. Previously, she was senior research fellow and deputy head of the Middle East and North Africa Programme at Chatham House, where she developed and led projects on issues including the dynamics of change in Gulf countries, the political economy of the Arab uprisings, post-invasion Iraq, the politics of sectarianism, and trends in regional geopolitics. Before that, she worked as a political analyst and economic forecaster specializing in the Middle East and Africa, with roles including associate director for the Middle East and Africa at the Economist Group, senior editor/economist at the Economist Intelligence Unit, and managing editor for the Middle East and Africa at Business Monitor International.

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For the avoidance of doubt, it should be noted that this paper represents the author's research and analysis, and not the views of The Elders.



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### About the Future Dynamics in the Gulf project

The Future Dynamics in the Gulf project at Chatham House provides in-depth analysis of political, economic and social changes across the Gulf Arab states, informed by local perspectives and new-generation thinking from the region. Since 2011, Chatham House's work on the Gulf has created space for meaningful dialogue on the dynamics of change in the GCC countries. It brings together regional and European scholars, researchers, policymakers and civil society, to help foster better understanding and new avenues of policy debate and communication.

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Cover image: Fans watch the AFC Asian Cup semi-final match between Qatar and the UAE at Mohammed Bin Zayed Stadium in Abu Dhabi, UAE, on 29 January 2019.

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