

Foreshadowing Interstate Rivalries within Regional Organizations: The Gulf Cooperation Council – A Case Study

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Abstract

The six Gulf states founded the Gulf Cooperation Council (GCC), a formal regional alliance, in 1981. The six states that make up the GCC are Oman, the Kingdom of Saudi Arabia, Bahrain, Qatar, Kuwait, and the United Arab Emirates (The Charter, 2019). Interstate conflicts can substantially hinder diplomatic relations and erode the strong links and ties required to encourage collaboration in a range of disciplines, therefore they surely have a significant impact on any regional organization. The contemporary interstate rivalry in the GCC, particularly between Saudi Arabia and Qatar from 2017 to 2021, is mostly due to political, ideological, and economic factors. A number of studies have been done on the various issues related to the intra-GCC crises, but there is still a need for academic research on the case of the interstate rivalry between Saudi Arabia and Qatar and its impacts. Thus, this paper aims to analyze the causes and nature of the interstate rivalry of the GCC with a concentration on the conflict between Qatar and Saudi Arabia. And finally, some plausible recommendations and policy frameworks have been advocated throughout the discussion.

Key Words: Regional Organization, GCC, Interstate Rivalry, Saudi Arabia, Qatar, Economic Integration

Introduction

The formation of the Gulf Cooperation Council (GCC) in May 1981 as an international organization signified its emergence as the second international institution after Arab League and the first sub-regional organization in the Middle East (Worrall, 2021). Since its foundation, the GCC has experienced numerous crises, particularly since its formation between Iran and the GCC and since 1991

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between Qatar and the GCC (Aljazeera, 2020; Bianco & Stansfield, 2018; Pradhan, 2011). However, the recent interstate rivalry between Saudi Arabia and Qatar from 2017 to 2021 popularly known as the Gulf-Qatar rivalry, though sorted to some extent is chosen for this study. The rivalry between Saudi Arabia and Qatar has undoubtedly hampered the smooth running of the Gulf Cooperation Council. The division within the organization hindered decision-making, weakened security cooperation, disrupted economic integration, complicated regional dynamics, media warfare, and hindered regional initiatives are all indicative of the negative impact of this rivalry. Yet, there have been some positive developments indicating a potential resolution to the dispute. In January 2021, a summit of GCC leaders took place in Saudi Arabia, where the leaders signed the Al-Ula Declaration, signaling a commitment to restore diplomatic ties and cooperation among member states. It is observed that while the GCC was formed with the aim of promoting cooperation and integration among member states, the Saudi-Qatar rift has strained the unity and effectiveness of the organization.

Objectives of the Research

A plethora of studies have been done on the intra-GCC crises, interstate conflicts in the GCC, stock market impact, and aftereffects of the Qatar blockade, but there is still a need for one on the Saudi Arabia-Qatar rivalry and its effects using a structured and systematic literature search (Aljazeera, 2020; Bianco & Stansfield, 2018; Pradhan, 2011). With a focus on the dispute between Saudi Arabia and Qatar, this study seeks to analyze the origins and character of the GCC's interstate rivalry.

Findings and Practical Implications

The study's findings demonstrate how the blockade imposed by Saudi Arabia in 2017 contributed to regional political unrest and economic stagnation. Even though things returned to normal in 2021, the legacy still exists. This paper concludes with recommendations for reducing such interstate rivalry in the GCC in the future, including adherence to the fundamental standards, short-term and long-term guidelines, and norms established by the GCC charter, ongoing diplomatic efforts, supporting a functionalist attempt to build confidence and trust, resolving global climate and energy crisis, and developing a collective mechanism to avert any potential threat to regional peace and stability.

Methods

With a particular emphasis on the interstate rivalry between Saudi Arabia and Qatar, this exploratory case study research thoroughly explores the review of

articles in the context of the GCC and competition among its member states. The evaluation of systematic literature (Kitchenham, 2009) to investigate the reasons and solutions of interstate rivalry between Saudi Arabia and Qatar is the primary goal of the literature review. It takes into account reputable scholarly publications and news articles covering the ten-year period from 2011 to 2021 (Seuring, 2012). It has excluded articles on informal literature surveys (no defined data collection, research questions, and data extraction process) and the duplicate report of the same study (several articles on the same topic in different journals; the most generic version was included in the review) (Kitchenham, 2009).

Peer-reviewed journal articles serve as the main form of academic communication and serve as the foundation for analysis. The terms “interstate rivalry,” “Qatar and Saudi Arabia relationship,” “Saudi’s embargo on Qatar,” and “Political disparity between Qatar & Saudi Arabia” were used in the literature search to assemble the paper sample. These terms may be found together in the title, keywords, or abstract. Structured keywords were used to search popular databases and library services, such as Emerald (www.emeraldinsight.com), Springer (www.springerlink.com), Wiley (www.wiley.com), and Scopus (www.scopus.com) (Seuring, 2012).

The GCC: Its Foundation

From as early as the eighteenth century, the Gulf region served as a significant and powerful hub for the British government (Alasfoor, 2007). After that time, this influence continued to hold sway for the following one and a half centuries. Since the end of World War II, when the British empire and dominance over global politics began to decline due to the advent of new superpowers and change in the power distribution of the international system, this enormous influence has been steadily decreasing (Alasfoor, 2007). 1971 was the year that finally saw the evacuation of the British administration. However, the pullout had a significant impact on the Gulf region in several ways. For more than a century, Great Britain served as a judge, arbitrator, administrator, and security shield in the Gulf region. It also supplied this region with a shield of protection. The evacuation of British forces from this region was the equivalent of throwing the territory’s security into complete disarray, leaving the region exceedingly vulnerable (Alasfoor, 2007). The entire Gulf region was militarily weak and wary of potential threats from outsiders, particularly the influence of superpowers in this area of the world. Therefore, the GCC was officially established in 1981 when, on May 25 of that year, the Charter of the GCC was signed, which marked the beginning of the organization. In accordance with

Article 2 of the GCC Charter, the GCC's administrative headquarters is founded in the city of Riyadh, which is located in the Saudi Arabian Kingdom of Saudi Arabia. At the moment, the scope of this organization extends throughout a region in the Middle East that is equivalent to approximately 2,672,700 square kilometers. Arabic is the language recognized as the primary tongue for use in business and government in this area.

Regional Organization and the GCC

With "regional organizations" serving as the subdivision, the phrase "international organization" is frequently used to describe the broad category. The establishment of regional organizations is based on the territorial proximity of member nations within a certain geographic area. There are regional organizations like the EU, SAARC, ASEAN, the North Atlantic Treaty Organization, and the African Union, among others, in South Asia, Southeast Asia, the Middle East, Europe, and Africa, in that order. These groups were established with the consent of the governments that make up their membership, and their main goal is to promote cooperation in a range of areas, such as politics, security, trade, and finance, the military, culture, and the environment, among others. These organizations frequently strive to strengthen the cooperation between governments, non-governmental organizations (NGOs), regional organizations, and international organizations as well as the political and economic integration of its member states. Additionally, these groups support the strengthening of ties between the member nations.

The notion of a regional organization is one that emerged only very recently. Following the aftermath of World War II, there was a significant development period in the regional organization field. The decades following World War II saw the establishment of a wide variety of regional organizations across the globe. Joseph (2016) outlined a number of topics that regional organizations strive to follow and promote. In the first place, regional groups are actively working to advance democracy, human rights, and peace in their regions. Second, they work to preserve territorial security while promoting the surrounding region's territorial integrity. Thirdly, they encourage economic integration by identifying areas of mutual benefits among the member states. Another fascinating aspect of the regional organization is how it is structured. This is likely one of the most noteworthy characteristics shared by a variety of regional organizations found all over the world. The characteristic of this is that geographically nearby states and states further afield may combine to form regional organizations. To put it another way, states frequently come together to form regional organizations with nearly identical cultural,

economic, or environmental interests. However, it is also clear that states that are not physically close to one another can sometimes be members of the same regional organization. The formation of an organization of this kind is frequently motivated by the shared pursuit of increased safety. The North Atlantic Treaty Organization is an intriguing example of this type of regional organization. The United States and Canada are among the most influential members of NATO, even though they are not geographically connected to the majority of the organization's other members. On the other hand, certain regional organizations may not be interested in incorporating the membership of a country that shares the geographical vicinity for a variety of reasons. This could be due to the fact that the countries do not share a common language. For example, the Arab League does not include Iran, Turkey, or Israel because these countries do not belong to the Arab ethnic group. Joseph (2016) also mentioned the possibility that regional groups could form for some broad causes; for example, the Arab League was established to preserve the cultural heritage of the Arab world, whereas the Arctic Council was initially formed to address the environmental issues of the Arctic region.

Nevertheless, throughout the course of time, the responsibilities that regional organizations have played in promoting peace, economic integration, and coordination in the fight against crimes and natural disasters have become increasingly apparent. For instance, the Association of Southeast Asian Nations (ASEAN) played an important role in managing and coordinating relief efforts in the Philippines after a devastating typhoon struck the country in November 2013 (Hollis, 2015). In addition, regional organizations such as ASEAN and the EU have achieved great success in the endeavor of expanding possibilities for higher education inside their respective member states (Nguyen, 2009). The SAARC, the European Union, and a great number of other organizations are all active in the fight against climate change and other transnational crimes.

The significant qualities of regional organizations are characterized by a nature that is both extremely diverse and fascinating in its composition. One of the most important aspects of regional organizations is the fact that they frequently get together to work on resolving issues or pursuing interests that are shared by several member states and that interfere with the states' ability to function efficiently. The second benefit, there is transparency among the member states. Third, it is often the case that personal relationship tends to make communication more difficult. Fourth, their range of possible actions is significantly more constrained compared to international organizations. In other words, they are concerned about a minimal number of issues that have the most significant impact on the region as a whole. For instance, the

European Union was first formed to resolve the region's coal and economic issues as the primary motivations for its formation (Dedman, 2009). Fifth, regarding their summits, regional organizations are frequently not interested in discussing bilateral disagreements, preferring to deal with matters related to low politics. For instance, the SARRC has made it quite obvious that it is not interested in addressing the bilateral issues that have been raised by member nations (Shaheen, 2013). Sixth, the member states of regional organizations, such as the GCC and the African Union, frequently have a shared history, culture, and tradition.

A significant regional organization is the Gulf Cooperation Council (GCC). To achieve its goals, the GCC has created a strong institutional framework. The Supreme Council, the Ministerial Council, and specialized technical committees are just a few of the groups and committees that it has to help in decision-making, coordination, and the implementation of policies and programmes. The process of economic integration within the GCC has been deepened and accelerated by two distinct collaborative action plans. The GCC is committed to fostering economic cooperation and political cohesiveness among its member states, as seen by the 1981 and 2001 signings of the Unified Economic Agreement (UEA) and Economic Agreement, respectively. It is important to note that the United Economic Agreement (UEA) and the Economic Agreement have both contributed significantly to opening up a variety of opportunities for the citizens of all GCC member states, including land ownership, business ventures, capital investment, and access to social safety net programmes (Worrall, 2021). The Economic Agreement outperforms the UEA in terms of the degree and nature of integration. For instance, the UEA makes it easier for citizens of GCC members to get residence permits, employment permits, inheritance rights, property ownership, and business licenses.

The GCC has successfully promoted economic cooperation among member states. In contrast to the Arab League, the Gulf Cooperation Council (GCC) has demonstrated notable efficacy in fostering economic collaboration, enhancing trade and investment, and advancing regional economic endeavours within the Middle East region (Worrall, 2021). It has implemented various initiatives, such as the Gulf Common Market and the Customs Union, aimed at facilitating trade, investment, and the movement of goods and services within the region. The Gulf Cooperation Council (GCC) has demonstrated notable accomplishments in its efforts to foster the adoption of a unified currency, known as the Khaleeji, within its constituent nations. The initial strategies pertaining to the opening of the currency have already been outlined. Additionally, a proposal has been put

forth to establish a new Gulf Central Bank with its headquarters in Riyadh. The GCC achieved another significant milestone with the adoption of the 'Unified Strategy for Industrial Development' and the 'Unified Industrial Regulation Law' during the 49th meeting of the Industrial Cooperation Committee in 2022. There is prevailing anticipation that the implementation of these strategies and laws will significantly augment the coherence, competitiveness, and proficiency of the industrial sectors within the GCC.

The GCC has prioritized regional security and defense cooperation. They have established collective defense mechanisms, conducted joint military exercises, and coordinated efforts to combat terrorism and maintain stability in the region. The GCC countries have generally enjoyed stability and prosperity, with high levels of GDP per capita, strong infrastructure development, and significant foreign investment inflows. The organization has contributed to maintaining a peaceful and cooperative environment that has supported economic growth and development. While the GCC has achieved significant success in various areas, it also faces challenges. These challenges include diversifying their economies beyond oil, addressing political tensions within the region, and promoting greater inclusivity and participation among member states.

Causes and Nature of the Saudi-Qatar Rivalry

The primary impetus for establishing the GCC was the advancement of extensive cooperation, coordination, and integration in economy, finance, scientific and technological innovation, and promoting peace and prosperity. Since the formation of GCC, the connections between the member states have run into many obstacles, gradually developing a contentious relationship among some member states, particularly between Saudi Arabia and Qatar. Their relationship has frequently escalated into a confrontation on a vast scale, where Qatar and Saudi Arabia are the most actively engaged in this rivalry, politicizing other member states to join a coalition, either direct or implicitly. Hence, the rivalry significantly worsened interstate relations and made GCC more susceptible to threats to peace and prosperity.

Causes

There are numerous reasons why Saudi Arabia and Qatar are hostile to one another. First, Doha and Riyadh have been at loggerheads ever since they started competing against one another over Doha's unwarranted support for numerous terrorist groups operating in the Gulf. Saudi Arabia has spoken out a lot on this matter. Also noteworthy is Riyadh's assertion that Doha's open support for militant and terrorist organizations is what is causing political and

security turmoil throughout the Gulf region. Riyadh accuses Doha of secretly aiding the Muslim Brotherhood in numerous Middle Eastern and North African nations (Blair & Spencer, 2014). In addition, it offers financial aid and supports radical militant groups in Libya, such as Hamas (Kirkpatrick, 2014). These events have caused significant cause for concern regarding the overall state of security in the region.

Second, maintaining cordial connections with Iran contributes to the fierce competitiveness and rivalry between Saudi Arabia and Qatar (Negri, 2018). For at least ten years, Doha has been charged with supporting terrorist groups fighting in the region and supported by Iran by a coalition led by Saudi Arabia and the United Arab Emirates (Negri, 2018). As for example, the Yemen crisis is a complex political situation that has resulted in a devastating civil war since 2014. The conflict involves various parties, including the internationally recognized government of President Abdrabbuh Mansur Hadi, the Houthi rebels, and other regional actors. The involvement of regional powers, including Saudi Arabia and the UAE supporting the Yemeni government, and Iran backed by Qatar allegedly supporting the Houthis, has exacerbated the crisis. According to Saudi Arabia and the United Arab Emirates, Doha's unprovoked support for these terrorist and rebel organizations poses a severe threat to the political and economic stability of both of their countries.

Third, one of the accusations made by the alliance led by Saudi Arabia is that Doha interferes, directly or indirectly, with the internal affairs of other states. Promoting a populist Sunni agenda through the Al Jazeera network, which poses a danger to the basic structure of Saudi Monarchism, is a source of grave concern for Saudi Arabia and the members of the coalition with which it is affiliated. The most common criticism against the Al Jazeera news network, a media company located in Doha, is that it supports liberal democratic processes, which advocate the transition of power by electoral means (Gause III, 2017). In addition, the alliance led by Saudi Arabia accused Al Jazeera of inciting violent acts throughout the region. In contrast, Al Jazeera accused the coalition of purposefully and heinously attempting to restrict the freedom of expression in their own country and brutally torturing many lawmakers and citizens (Laub, 2017).

Saudi Arabia was very severe and furious with Qatar because it was directly aiding Iran, which is Riyadh's principal adversary in the Gulf. One of the primary factors for beginning a diplomatic blockade against Qatar in 2017 was observed to be Riyadh's mounting anger over its failure in the Syrian war and its inability to make major headway against Tehran in the area as

a result of Qatar's backing for Tehran. This came about as a result of Qatar supporting Tehran. Mohammad bin Salman, also known as MBS, is the de facto ruler of Saudi Arabia and the country's crown prince. He has published a list of 13 demands for Qatar. These demands were presented by the Syrian National Coalition (Negri, 2018). In practice, Qatar would need to align itself with Saudi Arabia and its supporters in all spheres of activity, including the military, politics, economy, and social spheres (AP, 2017). However, these requirements were incredibly strict, leading many to think that Riyadh purposefully established them in order to force Doha to only have one choice - reject them.

Fourth, another reason for the intense rivalry between these two nations is that Riyadh is worried that Qatar is expanding rapidly in terms of its economy and security apparatus, which has the potential to surpass Saudi Arabia's capabilities. Qatar can potentially transcend Saudi Arabia regarding its capabilities (Ramani, 2021). In addition, Riyadh is particularly worried about Doha as a result of the fact that Doha is becoming an autonomous force in the region and is striving to undermine the preexisting hierarchy of power in the Gulf region. This is one of the primary reasons why Riyadh is so concerned about Doha.

Finally, the antagonism between Qatar and Saudi Arabia is the most obvious example of tension within the Sunni community (Gause III, 2017). This is also connected to the fact that political Islam is given insufficient weight in the state affairs of Sunni powers in the Middle East. Saudi Arabia has never been comfortable with the idea that Qatar should serve as the preeminent Sunni force in the region.

Nature of the Rivalry

In June 2017, Saudi Arabia, the UAE, Bahrain, and Egypt announced a diplomatic and economic blockade against Qatar, accusing it of supporting terrorism, interfering in the internal affairs of neighboring countries, and maintaining close ties with Iran, among other allegations. This coalition, known as the 'Anti-Terror Quartet' (ATQ), implemented several initiatives against Qatar:

- 1. Diplomatic isolation:** The ATQ countries cut diplomatic ties with Qatar, expelled Qatari ambassadors, and demanded that Qatar abide by a number of requirements intended to allay their worries. These demands included the closure of the Al Jazeera television channel and the severing of links to extremist organizations.

2. **Trade and travel restrictions:** The coalition imposed a blockade on Qatar, restricting land, air, and sea transportation routes. Borders were closed, and Qatar Airways faced restrictions from flying over the airspace of the ATQ countries. This led to disruptions in trade and travel, impacting Qatar's economy and its population.
3. **Economic measures:** The coalition countries took measures to curtail economic relations with Qatar. They discouraged their citizens and businesses from conducting trade with Qatar, halted the shipping of goods, and placed restrictions on financial transactions. This economic pressure aimed to isolate Qatar and compel it to comply with the demands put forth by the ATQ.

Impacts of Interstate Rivalries on the GCC

The member states of the GCC displayed bravery by upholding the Charter of the GCC and committed to adhering to the norms and codes established to strengthen their bonds with one another in the beginning. However, many governments did not keep their commitment and instead participated in competitions with one another, which greatly undermined the GCC's primary objectives. In addition, deviating from the promise had repercussions for the organizations in a number of different ways, which we can summarize as political and economic.

Political Impact

The Gulf Cooperation Council (GCC) has clearly suffered as a result of the conflict between Saudi Arabia and Qatar. Although the GCC was established to encourage collaboration and integration among its member states, the Saudi-Qatar conflict has hampered the group's cohesion and effectiveness. The divide it has produced inside the GCC is one of the main grounds in favor of the rivalry hurting the alliance. The blockade caused Qatar to become cut off from its neighbors in the Gulf and damaged the fundamental idea of unity upon which the GCC was built. The rift inside the organization has made it more difficult to come to an agreement and work together on important regional concerns.

Furthermore, the Saudi-Qatar rivalry has extended beyond the GCC, further complicating regional dynamics. The two countries have pursued divergent foreign policies and supported different factions and groups in the region. Qatar, for instance, has been accused by its Gulf neighbors, particularly Saudi Arabia, of supporting Islamist movements and destabilizing forces in the region. These differing foreign policy approaches have exacerbated

regional tensions and deepened divisions within the GCC. The rivalry has led to a broader regional power struggle, with countries taking sides and further fracturing the unity of the organization. The media landscape has also been a battleground for the Saudi-Qatar rivalry, further straining the GCC's unity. The two countries, through their respective media outlets, have engaged in a war of narratives, often accusing each other of supporting terrorism or destabilizing the region. This information warfare has further eroded trust and cooperation among member states, making it more challenging to foster an environment conducive to dialogue and effective decision-making within the GCC. The rivalry between Saudi Arabia and Qatar has also had implications for regional initiatives and projects. The GCC has been involved in various joint ventures, such as the proposed GCC currency union and the Gulf Railway Network. However, the tensions between Saudi Arabia and Qatar have impeded progress on these initiatives. The lack of trust and cooperation resulting from the rivalry has hindered the smooth implementation of regional projects, delaying their realization and undermining the potential benefits for member states.

Economic Impact

Economic implications have also played a role in hampering the smooth running of the GCC due to the rivalry between Saudi Arabia and Qatar. The conflict between Saudi Arabia and Qatar significantly and detrimentally affects the GCC's overall economic performance. Because of this competition, the GCC's economic performance has slowed, the trade and commercial relations have greatly decreased, and the stock markets and macroeconomies of the GCC's member nations have been significantly impacted. According to the findings of Buigut and Kapar (2020), the crisis in 2017 did not result in any significant economic losses; nonetheless, it paved the way for mistrust and animosity in the long run. They observed that the crisis has had a detrimental impact on the economy of Qatar for the short term and that the banking industry, real estate business, and energy industry of Riyadh and Abu Dhabi, respectively, showed positive abnormal returns during the same time period (Buigut and Kapar, 2020). However, despite maintaining its neutrality throughout the crisis, other member states like Oman experienced a long-term negative impact on their economies. Qatar, being a major gas exporter, was significantly affected by the economic blockade imposed by its neighbors. The blockade disrupted trade, investment, and financial flows within the GCC, negatively impacting the economic cooperation and integration that the organization aimed to foster. Research conducted in recent years on the economic effects of the rivalry between Qatar and Saudi Arabia reveals that the economies of both nations were considerably impacted; however, Qatar was able to overcome the crisis in the

most formidable manner (Bouoiyour and Selmi, 2020). Negri (2018) pointed out that the attempt to isolate Qatar by a coalition led by Saudi Arabia was ultimately unsuccessful. This was not only due to the swift support provided by Ankara and Tehran but also due to the continuance of diplomatic contacts between Doha and major Western powers. The recent crisis, which occurred in 2017, produced great unpredictability in both the macro and the microeconomies. The crisis has caused the financial markets in the region to shake and has also influenced the stock markets of adjacent states that are not participants in the crisis (Al-Maadid et al., 2019). According to the findings of Charfeddine and Refai's (2019) research, the Saudi Arabian-led blockade of Qatar in 2017 had not only jolted the country's financial sector, but it had also had an equal impact on the economies of the United Arab Emirates and Saudi Arabia. It appeared that Qatar had been successful in overcoming the embargo imposed by Saudi Arabia and the blockade imposed by the coalition led by Saudi Arabia (Bouoiyour and Selmi, 2020). Interestingly, Qatar's economy grew by about 5% in the second half of 2017 (Albasoos et al., 2021). Qatar has undergone the suffering of dropping its bond prices (Torchia and Arnold, 2017). This made the borrowing of funds more expensive, which was taken from external sources to finance some \$200 billion to develop infrastructure to host the FIFA World Cup 2022. So, economic interdependence is a crucial factor in regional cooperation, and the rift between Saudi Arabia and Qatar has undermined this aspect, impeding the overall progress of the GCC. A few important negative concerns that need to be addressed can be seen if we examine the GCC's overall economic trajectory between 2015, which was before the rivalry began, and 2021, when it ended.

Table 1: GCC's Economic Trajectory from 2015 to 2021

Indicators	2015	2016	2017	2018	2019	2020	2021
GDP Growth Rate	3.0%	1.8%	2.0%	2.0%	0.7%	-4.8%	-6.2%
Inflation Rate	3.1%	2.2%	2.5%	1.7%	2.0%	-1.1%	0.8%
Unemployment Rate	11.3%	11.7%	11.6%	12.5%	13.2%	13.9%	14.7%
Trade Balance	Positive	Positive	Positive	Positive	Positive	Negative	Negative
Fiscal Balance	Negative	Negative	Negative	Negative	Negative	Negative	Negative
Foreign Direct Investment (FDI)	\$27.5 billion	\$24.6 billion	\$23.8 billion	\$17.5 billion	\$18.6 billion	\$15.8 billion	\$14.1 billion

Source: Devised by the author based on <https://www.gccstat.org/en/>, accessed on 26.06.2023

The above Table: 1 shows the GCC region experienced moderate economic growth in the period of 2015 to 17 where the GDP growth rate ranged from 1.8% to 3.0%. The GDP growth rate of the GCC countries fluctuated in the

period from 2018 to 2021, with a general trend of slowing growth. The region experienced a significant contraction in 2020 and 2021 due to the combined impact of the Saudi-Qatar rivalry, COVID-19 pandemic and declining oil prices, which heavily influenced the economies of oil-exporting countries. The unemployment rates in the GCC countries increased gradually during this period, reflecting the economic challenges faced by the region. The GCC countries maintained a positive trade balance throughout 2015 to 2017. The trade balance of the GCC countries shifted from positive to negative in the period from 2018 to 2021. The FDI inflows into the GCC countries experienced a decline in the period from 2018 to 2021 compared to 2015 to 2017. It is important to note that while the Saudi-Qatar rivalry may have had some impact on the economic performance of the GCC, other factors also significantly influenced the economic slowdown during this period, such as declining oil prices and the COVID-19 pandemic.

Analysis

The Gulf region witnessed a monumental achievement with the establishment of the Gulf Cooperation Council (GCC). Because of its primary focus on developing as a customs union, promoting political cooperation, policy coordination, integrating economic cooperation, and encouraging all kinds of collaboration in various fields that the member states deemed suitable, the organization has grown to become the most influential organization in the entirety of the Middle East region. Unfortunately, over the course of many years, the member nations have developed bitter relations with one another and engaged in interstate rivalry on multiple occasions. The situation of Saudi Arabia and Qatar exemplifies one of the most prominent examples of the fierce interstate competition that exists within the GCC. Their rivalry highlights Qatar's rising power, threatening the traditional geopolitical order and Riyadh's preeminence (Baabood, 2019). In addition, their rivalry extends beyond the borders of their respective states, most notably into Syria and Yemen, where both nations are actively engaged in a proxy war. On the other hand, it has been determined that this competition has a detrimental effect on the efficient operation of the GCC.

Politically, the Saudi-Qatar rivalry led to the division of the GCC, which traditionally served as a platform for collective decision-making and coordination among its member states. The Saudi-led bloc, which included the United Arab Emirates, Bahrain, and Egypt, imposed a diplomatic and economic blockade on Qatar in June 2017, severing diplomatic ties and imposing trade restrictions (Khlebnikov, 2015). This fragmentation weakened the collective unity of the

GCC and hindered its ability to address regional challenges Abozaid, 2020). Moreover, the growing alliance between Israel and Saudi Arabia, the United Arab Emirates, and Bahrain will produce a new balance of power that will contend with the alliance of Doha, Tehran, and Ankara (Khlebnikov, 2015). The economic impact of the Saudi-Qatar rivalry was significant. The blockade disrupted Qatar’s trade and transport links with neighboring countries, leading to supply chain disruptions and affecting businesses across the region (Bianco and Stansfield, 2018). Trade and investment flows between the GCC states declined, impacting economic integration efforts. The tourism sector, which heavily relied on intra-GCC travel, suffered a downturn as travel restrictions were imposed. Socially, the Saudi-Qatar rivalry had humanitarian implications, particularly for families and individuals residing in different GCC member states. The blockade led to the separation of families, affecting social ties and causing emotional distress. Students studying abroad found it difficult to continue their education due to travel restrictions and diplomatic complications. The humanitarian dimension of the conflict further strained relations within the GCC. In short we can portray the politico-socio-economic impact of the Saudi-Qatar rivalry in the GCC through the following Table: 2.

Table 2: Politico-socio-economic impact of the Saudi-Qatar rivalry in the GCC

Aspects	Impact of Rivalry on the GCC
Division and Fragmentation	The Saudi-Qatar rivalry has led to division and fragmentation within the GCC. The diplomatic and economic blockade imposed on Qatar by Saudi Arabia, the United Arab Emirates (UAE), Bahrain, and Egypt in 2017 has highlighted the deepening rift and isolation of Qatar from its Gulf neighbors. This has undermined the unity and fundamental principle of cooperation on which the GCC was founded.
Regional Security Cooperation	The Saudi-Qatar rivalry has undermined regional security cooperation within the GCC. The organization was established to enhance collective security among member states. However, the rift has weakened coordination and joint efforts to address security threats. The lack of unity resulting from the rivalry has limited the GCC's ability to effectively tackle security challenges, potentially leaving member states more vulnerable.
Economic Integration	The economic implications of the rivalry have impacted the smooth running of the GCC. The economic blockade imposed on Qatar disrupted trade, investment, and financial flows within the GCC. This has negatively affected economic cooperation and integration, impeding the progress of the GCC's economic initiatives. Economic interdependence, a key factor in regional cooperation, has been compromised due to the rivalry.
Regional Dynamics	The Saudi-Qatar rivalry has extended beyond the GCC, complicating regional dynamics. The two countries have pursued divergent foreign policies and supported different factions and groups in the region. This has exacerbated tensions and deepened divisions within the GCC. The rivalry has contributed to a broader regional power struggle, further fracturing the unity of the organization.

Source: Devised by the author

Policy Options and Recommendations

There could be a number of significant remedies available to lessen the rivalry or, to some extent, prevent future enmity from being stoked. The observance of the fundamental standards, guidelines, and norms established by the GCC charter is at the center of each and every one of these potential solutions. The Saudi-Qatar rivalry underscores the importance of promoting dialogue and mediation as primary mechanisms for resolving disputes within the GCC. Rather than resorting to diplomatic and economic blockades, the GCC member states should prioritize peaceful negotiations, constructive dialogue, and mediation efforts to address their differences and find mutually agreeable solutions. To develop their contacts, Riyadh and Doha can collaborate on mutually beneficial low-level political matters. It may be possible to effectively discuss high-profile contentious subjects in the long run by cultivating low-key relationships (Koronis and Ponis, 2018). Track II diplomacy, involving non-governmental organizations, think tanks, and academic institutions, can play a vital role in facilitating dialogue and promoting understanding between member states.

Mitigating existing rivalries in the Gulf Cooperation Council (GCC) and working as a successful regional organization, requires a combination of short-term and long-term measures that focus on building trust, fostering cooperation, and addressing underlying issues. In the short-term, confidence-building measures and economic cooperation can be considered. Encouraging member states to implement confidence-building measures, such as military-to-military exchanges, joint training exercises, and sharing of intelligence, to promote mutual trust and understanding can develop confidence. Whereas steps can be taken to enhance economic cooperation by creating joint ventures, reducing trade barriers, and encouraging investments among member states. This can foster interdependence and diminish economic rivalries. In the long-term measures, strengthening and reforming the GCC's institutional framework to address issues related to decision-making, dispute resolution, and power-sharing can be considered. Creating a more inclusive decision-making process can lead to greater cooperation. Supporting and encouraging these unofficial channels of communication can help build trust, bridge differences, and foster a more cooperative environment within the GCC. The GCC should prioritize regional security cooperation, including joint military exercises, intelligence sharing, and counter-terrorism efforts. By working together to address common security challenges, member states can build trust and reinforce the collective security framework of the GCC. This will also help prevent external actors from exploiting regional divisions.

Facing the challenges of climate change, the Yemen crisis, global energy crisis, and the US-China rivalry require concerted efforts and cooperation among the Gulf Cooperation Council (GCC) member states. Addressing these challenges will require unity, cooperation, and a forward-looking approach from the GCC member states. By working together and leveraging their collective strengths, the GCC can make significant progress in addressing these complex issues and ensure a more stable and sustainable future for the region. Here is how the GCC can address each of these challenges:

- **Climate Adaptation for Climate Change:** Develop strategies for adapting to the impacts of climate change, such as rising sea levels and extreme weather events, to protect communities and critical infrastructure.
- **Diplomatic Engagement in the Yemen Crisis:** Actively engage in diplomatic efforts as per the GCC charter to find a peaceful resolution to the Yemeni conflict. GCC countries can use their diplomatic influence to encourage dialogue and mediation between the parties involved.
- **Joint Energy Policies for Facing Global Energy Crisis:** Develop joint energy policies within the GCC to coordinate responses to global energy challenges and strengthen the collective bargaining power of the group in international energy markets.
- **Neutrality and Mediation in the US-China Rivalry:** Maintain a neutral stance in the US-China rivalry to avoid taking sides and potentially exacerbating tensions. The GCC can offer its diplomatic services as a mediator to facilitate dialogue between the two powers on issues of mutual concern.

Conclusion

The Saudi-Qatar rivalry from 2017 to 2021 had a detrimental impact on the smooth activities of the GCC and acted as a prime obstacle to working as a successful regional organization. The fragmentation of the council, security concerns, economic disruptions, diplomatic implications, and impediments to regional integration were among the negative consequences of the conflict. From the discussion above, it is evident that the Saudi-Qatar rivalry and later its solution offers valuable lessons on the importance of dialogue, regional unity, effective conflict resolution mechanisms, economic diversification, balancing national and regional interests, engagement with external actors, and commitment to shared values. In the future by learning from these lessons and

the recommendations stated above, the GCC member states can work towards a more cooperative and resilient Gulf region, ensuring the smooth functioning of the council and addressing challenges effectively.

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