

## **Intra-GCC Relations: Between Cooperation and Competition Stands Sovereignty**

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When addressing the establishment of the Gulf Cooperation Council (GCC) in 1981, most scholars embrace realist arguments, arguing that its formation was directly related to the fall of the Shah of Iran in 1979, the emergence of a revolutionary regime in Tehran intent on exporting its revolution to the neighbourhood and the subsequent outbreak of the Iran-Iraq War in September 1980.<sup>1</sup> According to these arguments, these events were perceived as threatening the very survival of the Arab Gulf monarchies: by coming together the six monarchies wanted to present a unified front to shared security needs. However, arguably, their priority was as much about protecting sovereignty as it was about national security, intended in conventional terms.

The element of sovereignty is in fact central to comprehensively analyse the full story of the GCC, as well as the evolution of intra-GCC relations. Analyses of the overall status of the GCC as a regional organization, based on the developments since the 1980s, have indeed poised that the GCC has been unable to establish itself as a full-fledged cooperative and integrated body mainly due to a high degree of resistance to sharing sovereignty, resulting in the lack of supranational authority or form of legitimacy.<sup>2</sup> Such resistance is, arguably, a by-product of the historical background of the Gulf Arab monarchies themselves. Because the GCC members see themselves as young nation-states that only recently, historically speaking, obtained their independence, “sovereignty was a prize to be nurtured, not one to be sacrificed on the altar of a pan-Arab movement, or one that extolled the virtues of integration.”<sup>3</sup> At the same time, the argument that regional integration and tight cooperation, i.e. pooling and sharing resources, provide opportunities beyond the capabilities of single states, especially for the smaller GCC monarchies, has long held traction among decision-makers in the region, and beyond. This latent conflict between sovereignty and regionalism has characterised the GCC much like it has other international organizations around the world.

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#### **Unpacking past and present disputes**

Once such perspective is embraced, past and current disputes between GCC member states can arguably, be analysed and dissected more comprehensively. And, in fact, the history of intra-GCC relations offers several instances of disputes, at different levels. For instance, several longstanding border issues in the region weren't resolved until the 2000s, including the the 2003 United Arab Emirates - Oman boundary agreement, the settlement of the Bahrain-Qatar dispute on the Hawar islands by the International Court of Justice in 2001 and the finalization of the demarcation agreement on maritime borders by Kuwait and Saudi Arabia in 2000.<sup>4</sup> And yet, these controversies were only put to rest through an effective intervention of international institutions, rather than indigenous, GCC mechanisms. Notwithstanding, some border issues still remain relevant today, including a disagreement among tribes from Saudi Arabia, the UAE, and Oman over the Al Buraimi Oasis and a dispute on the maritime borders between the UAE and Saudi Arabia, leading to skirmishes and short detainments up until March 2010.<sup>5</sup> Even more heated are the disagreements with stark economic implications. An ongoing dispute between Saudi Arabia and Kuwait over oil production in the shared “Neutral Zone”, a border area which still lacks precise demarcation, offers a clear case of the existing conflict between cooperation and sovereignty concerns. Over the years, the two

countries have clashed over the building of a refinery in this shared territory, the granting of production rights to foreign oil companies, and the accrediting of workers operating in the area, leading to a prolonged shutdown of two fields, al-Khafji and al-Wafra, between 2014 and 2015.<sup>6</sup> Moreover, a visit by Saudi Arabia's Crown Prince Mohammad bin Salman to Kuwait, in September 2018, even as the two countries are struggling to increase production levels to stabilise the oil market, did not yield any tangible results on the matter.<sup>7</sup>

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In fact, it is particularly interesting to look at intra-GCC economic relations given that they also involve questions of national sovereignty, though less directly. Still, when such concerns over sovereignty are involved, significant hesitations have emerged. A clear example is the dispute over the project of a common currency: when the project was first launched, in the early 2000s, its implications for financial and economic self-determination at the country-level were possibly overshadowed by the economic benefits brought about the single currency used in the European Union (EU), at the time a key interlocutor for the GCC on the theme. Once such implications emerged in the EU context, during the 2008-2010 financial crisis, the GCC common currency project was put on hold as a result of resistance from Oman and the United Arab Emirates.<sup>8</sup> Beyond the issue of the location of the anticipated central bank - that the UAE



wanted to be located in Abu Dhabi and not, as proposed, in Riyadh - a GCC monetary union was arguably resisted as it would have impinged on sovereign matters of fiscal and monetary policies, where coordination remains problematic. For instance, while a Unified Agreement for Value Added Tax was reached in 2016, two years later only Saudi Arabia and the UAE had implemented it while the others hesitated to be “technically and politically ready”.<sup>9</sup>

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This caution over sovereignty has been particularly clear on issues of defence and security integration. Caution has traditionally been stronger on the part of the smaller GCC monarchies, fearing that integration would translate into Saudi hegemony over the others.<sup>10</sup> For instance, a large joint security force would likely be led and dominated by Saudi Arabia and could possibly be used at some stage as a deterrence tool vis-à-vis other members. This fear, in turn, could have pushed individual GCC member states to make security arrangements or defence pacts with external states instead of developing more indigenous cooperative security networks. Bilateral alliances with external super powers like the United States, much like Bahrain, Kuwait, Qatar and the UAE joining NATO’s Istanbul Process in the early 2000s, are primary indications.<sup>11</sup> Already when Britain was the nominal protector of the territories which today evolved into the smaller GCC monarchies, before the 1971 withdrawal from the East of Suez, British support was welcomed

as a bastion against threats to sovereign rulers, both external and internal.<sup>12</sup> As a matter of fact, a number of political disputes emerged in the past within the GCC concerning the role of non-regional superpowers as privileged actors in the region. For instance, when Qatar signed a Defence Cooperation Agreement in 1991 with the United States (US), Saudi Arabia was resentful that Doha would then host the US Central Command in one of the largest military bases in the region, the Al Udeid As Sayyiyah US Air Force, particularly given how the US had to relocate from Saudi Arabia itself due to domestic political pressures.<sup>13</sup> Similarly, Saudi Arabia wasn’t pleased when Oman signed its own defence agreement with the United States or when Bahrain signed its free trade agreement with Washington.<sup>14</sup> Fast forward to contemporary times, the presence of a Turkish military base in Doha is one of the issues at the centre of the latest intra-GCC crisis which started in June 2017, when Saudi Arabia, Bahrain, the UAE and Egypt announced that they had cut all relations with Qatar, extended a boycott against the country, ejected Qatari diplomats, ordered Qatari citizens to leave their states within 14 days and halt all land, air and sea traffic with Qatar.<sup>15</sup>

This latest crisis, by far the gravest in the history of the GCC, is in turn strictly related to another diplomatic spat, dating back to 2013 – 2014 which was, temporarily, resolved thanks to Kuwaiti mediation. In March 2014, Saudi Arabia, the UAE and Bahrain, the same three actors involved in the 2017 crisis, took the unprecedented step of collectively withdrawing their ambassadors from Qatar.<sup>16</sup> The action was taken in response to an alleged breach by Qatar of a comprehensive security agreement dated November 2013, named the Riyadh agreement, laying out commitments to refraining



to support regional actors labelled as destabilising, including the Muslim Brotherhood, Iran, and all groups related to those.<sup>17</sup> The missing GCC Ambassadors returned to Doha in November 2014, eight months after their withdrawal, as Qatar's Emir Tamim bin Hamad Al Thani signed a second security pact, known as the Supplementary Riyadh Agreement. This second document reinforced the points agreed upon in November of 2013, that Qatar aligned with its opponents' politics, and included also several detailed implementation and monitoring measures.<sup>18</sup> Further emphasis is also put on the necessity to sustain the stability and security of Egypt and to cease all media activity critical of the Egyptian government, with specific reference to the Al Jazeera media network and its affiliates.<sup>19</sup>

Since its establishment in 1996, Al Jazeera was a formidable instrument of region-wide soft power for the Qataris and was perceived as a major headache outside of their control for other rulers in the region, especially to Saudi Arabia, which received intense critical coverage. In fact, Qatari Ambassadors were routinely recalled over disputes related to Al Jazeera coverage and the Saudi Ambassador was absent from Doha for five years, between 2003 and 2008, in protest of Al Jazeera's coverage of the Kingdom.<sup>20</sup> This shows that, in fact, the urge to align GCC politics is neither recent nor exclusively related to the turbulent relations between Qatar and Saudi Arabia. If Qatar was singled out already since the mid-1990s, when the late Emir Hamad sought relations with both Israel and Iran, also as a way to establish full autonomy from Riyadh, political controversies in the GCC had existed long before. Oman had its recriminations against Kuwait, accused of harbouring sympathies for a Marxist

insurgent group active in Dhofar in the 1960s and 1970s, and against Saudi Arabia, which aided the Imamate against the Sultanate in the same years.<sup>21</sup> Fast forward to contemporary times, neither Saudi Arabia or Abu Dhabi nor Bahrain were pleased when discovering that Oman had played a key role for years in mediating a nuclear deal between the United States and Iran, keeping it secret from its fellow GCC states.<sup>22</sup>

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#### **Integration and conflict resolution**

When analysing past disputes among GCC monarchies, whether about politics, economics or security, one element is particularly striking: divergences have been common, and routinely overcome, yet seldom formally and fully resolved. To begin with, and most crucially, the resolution of intergovernmental disputes is not considered the domain of third parties, including regional institutions such as the GCC itself. There is no formal process or official institutionalised mechanism within the GCC trusted with the authority to resolve disputes among its members.<sup>23</sup> Divergences are bridged through informal negotiations, involving few decision-makers within the rulers' circles and, often, the rulers themselves. As with most other domains, the politics of negotiations is highly personalised in the GCC and, hence, volatile and subject to individualisms.<sup>24</sup> If, on one hand, further cohesion could be an avenue to de facto increase the costs of intra-GCC disputes, such cohesion has itself been challenged by concerns over sovereignty.



The economic front is where most of the GCC's accomplishments in terms of integration have taken place in the past. Starting with the creation in the 1970s of the Gulf Organization for Industrial Consultancy, a Gulf Ports Union, the Gulf Federation of Chambers of Commerce and Industry, the Joint Economic Agreement of 1981, the introduction of a Customs Union in 2002, the proposal for a common market in 2008, economic integration can rely on a variety of instruments in the region.<sup>25</sup> Throughout the years, given how the six countries share very similar and unique political economic models, and in spite of their substantial differences in macro-economic indicators, the harmonization of economic policies has emerged as a guiding principle.<sup>26</sup> However, arguably, formal agreements overstate the level of real-world integration, hurdled by the difficulty of establishing integration among rentier states.<sup>27</sup> While the share of intra-GCC trade in total GCC trade has more than doubled since the organization's founding, the GCC still lags behind more-established trading blocs to a substantial degree.<sup>28</sup> In fact, estimates say that in the past few years intra-GCC trade has accounted for between 15 and 19 percent of total GCC trade, with a consistent share of energy trade routinely happening with non-regional markets.<sup>29</sup> There is a similar dynamic with intraregional Foreign Direct Investment (FDI).<sup>30</sup> More importantly, GCC economic integration actually provided an enabling context for the 2017 offensive, magnifying the effects of the quartet countries sealing their borders to the transit of goods, capitals and citizens with Qatar. In other words, it backfired.

In terms of security and defence, cooperation and integration at the GCC level has historically accelerated when individual governments faced severe

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common threats, only to be subsequently put into question as threats receded. Security and defence cooperation were not alluded to in the original charter establishing the GCC and there have been disagreements on achieving a common formula in these realms since the body's inception.<sup>31</sup> The collective military force named Peninsula Shield Forces, established in 1984, showed ineffectiveness in 1990 when only the intervention of the international coalition assembled under the United States was able to roll back Saddam Hussein's forces from Kuwait.<sup>32</sup> Years of demurrals, concurring with relative regional stability, led to the side-lining of the issue of defence integration. When pressing security concerns rose again as a consequence of the 2003 American invasion of Iraq and the election of the former Revolutionary Guard Mahmoud Ahmadinejad in the Iranian presidential election in 2005, a new proposal was advanced by Saudi Arabia calling for the adoption of the principle of "centralized command and de-centralized forces".<sup>33</sup> In the meantime, the member states had concluded, in the year 2000, the GCC Joint Defence Agreement based on the principle that any aggression against a member state would be considered as an aggression against all the GCC states, introducing the obligation to provide military assistance to one another.<sup>34</sup> However, it was until 2011, in the face of the threats emanating from the Arab uprisings, that the first activation of the GCC Joint Defense Agreement took place. In March 2011, troops from Saudi Arabia and the UAE, with limited naval support



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from Kuwait, entered Bahrain at the request of the King under the umbrella of the Peninsula Shield Force to quell the riots that were challenging the stability of the ruling family. Allegedly, Qatar and Oman only sent a symbolic delegation of advisors. In November 2012, the six governments signed the GCC Internal Security Pact, empowering each GCC country to take legal action, based on its own legislation, against citizens, residents, or organized groups that are linked to crime, terrorism or political opposition in any other GCC state.<sup>35</sup> Such an agreement was first put forward in 1982, then re-discussed in 1994, when it was endorsed only by Saudi Arabia, Bahrain, and Oman, and subsequently officially signed by the United Arab Emirates, Qatar and, finally, by Kuwait in 2012. The Kuwaiti government was particularly reluctant to sign the agreement amid significant parliamentary opposition, once again citing the issue of sovereignty.<sup>36</sup> Indeed, on one hand the years following 2011 represented momentum for cooperation and coordination. Yet, this momentum appears limited to policing, counter-insurgency and counter-terrorism at the state level, rather than paving the road for full-fledged unification against threats. In fact, when in December 2011, then Saudi King Abdullah Bin Abdul Aziz declared that it was time for the GCC member states to move from the cooperation phase to the phase of Union within a single entity, the proposal was supported by Bahrain but met by a half-hearted response from the other countries, vowing to put it on hold.<sup>37</sup> When, in 2013, Saudi Arabia decided to discuss the subject again, Oman formally

and publicly rejected its participation to a potential Union, effectively sinking the idea, to the relief of many other GCC countries as well.<sup>38</sup>

In retrospective, and in light of the strong fragmentation brought about by the 2011 crisis in the GCC, the idea of building a Gulf Union may seem almost fictional. While the UAE and Saudi Arabia have been strongly pushing forward a new assertive and proactive political line, co-opting Bahrain, a strategy to coerce Qatar to get back in line remains so far unaccomplished, as both Kuwait and Oman warily observe the new course and quietly consider their hedging options to preserve sovereignty and stability.<sup>39</sup> Contemporary events have shown how intra-GCC relations, despite the strong existing bonds among those states, become fragile in contexts where domestic-level divergences erode the GCC's founding rationale, sharing common threat perceptions. In the post-2011 scenario such divergences have become substantial. In fact, against the backdrop of the long-standing issue of preserving sovereignty, geopolitical and economic asymmetries between the GCC states are set to become even more predominant in the near future, paving the way for the establishment of multi-level internal and external relations in a further fragmented region. While the GCC remains a valued venue to allow for dialogue and coordination at the Arab Gulf level, these dynamics could quite possibly limit it to function as an organization that merely coordinates bureaucracy on increasingly fewer, uncontroversial projects, at least in the short-term.



## Endnotes

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