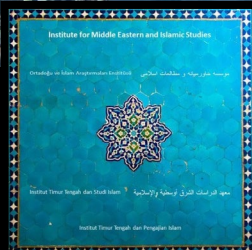
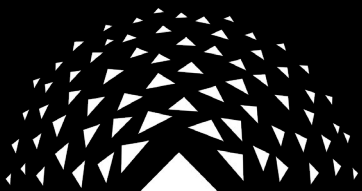


# KKI

## 4:1



How Do You See the Future  
of the Gulf Cooperation Council  
Integration Format?



# KKI 4:1

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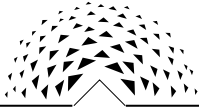
*In the 4:1 series of the Institute for Foreign Affairs and Trade, four researchers give a short answer to the same question concerning international politics and economics. Our aim is to launch the scientific debates in and beyond Hungary and to promote dialogue among experts. In this issue, our topic is: "How do you see the future of the Gulf Cooperation Council integration format?"*

## **LUIZA CERIOLI**

It is crucial to look into the past to have an answer about the future. It was a shared threat perception drove the formation of GCC: the Iranian Revolution and the subsequent Iran-Iraqi war. In a sense, the Middle East is the [anti-case for regionalism](#) as alliances are shaped, shifted and reshaped across areas of conflict presenting low institutional cooperation or incomplete security regimes. Despite its focus on [economic and customs union](#), the GCC lacks collective interests that could lead to greater institutional regionalism. The shared Iranian threat overshadowed several internal disputes that had hampered the integration project for decades. In a sense, the 2017 Qatar crisis brought light to the inherent blind spots of the organisation.

[Territorial and political disputes](#) and an unremitting [reluctance of smaller countries](#) to accept Saudi dominance characterised GCC. While Riyadh viewed GCC as an option to coordinate regional policies and enhance influence, others resisted moves for greater unity beyond [cooperation and consultation](#). It effectively assured an able body for guaranteeing the status quo and security partnership with the U.S. However, [low institutionalism](#), difficulty to respond to intra-organisational issues and disagreements over the [roles of Islamism](#) and Iran disclosed schisms. Since 2017, the Saudi-led quartet accused Qatar of terrorism, while Doha, isolated, is pivoting towards Turkey and Iran, and Oman and Kuwait, refusing to take part on the blockage, navigate the contentious geopolitics without managing a resolution.

Today, the GCC's options seem to adapt to multiple [sub-partnerships and supra-coalitions](#) or become [irrelevant](#). Divergences on Qatar permeate the organisation: Abu Dhabi was frustrated with the Bahrainian PM's [phone-call to Doha](#) and [Dubai showed discontent](#) amidst the economic costs of the crisis. Conversely, the Saudi-UAE alliance became central to Gulf's politics. They are coordinating their foreign policy and domestic objectives with the new [Joint Cooperation Committee](#), covering economy, development, defence production and military synchronisation. Yet, Abu Dhabi recent decisions to [retreat from Hodeida](#) and to send a [peace mission to Iran](#) diverged from Saudi's strategy. Still far from being quarrelling, both countries are missing a common perception of threat. While for Riyadh, the critical threat is Iranian expansionism, UAE's evaluations reflect a preoccupation with [Islamist movements](#), producing a more nuanced approach to Iran.



Seemingly, GCC is making its way back to bilateralism with few shared values or collective interests. In strategic terms, GCC was always prone to [bilateral arrangements](#) rather than collective ones. The 2011 Peninsula Shield Force [mission in Bahrain](#) was a deviating moment, not a trend. Even if the Qatar crisis is solved, there are further challenges. How will these countries manage to diversify their economies and keep a narrative of unity? Their individual (but very similar) [reform projects](#), if succeeded, will only stimulate more competition in a post-oil future. Another crucial matter is the role of extra-regional powers. GCC is intertwined not only with U.S.' interests but more recently also with those of [Turkey](#), [China](#), [Russia](#) and [Israel](#). Finally, new [nationalisms](#) in Qatar, Saudi Arabia and Emirates, associated with their ambitious new leaders, can further personalise politics, polarise the region and, hence, affect the organisation's cohesion. In sum, GCC lacks a consensus on its function in the shifting strategic landscape. As it is now, GCC is losing legitimacy and runs the risk of having a similar fate as one of the Arab League.

## **TYLER B. PARKER**

The GCC's desire for "coordination, cooperation and integration in all fields," as declared in its [founding 1981 Charter](#), remains unfulfilled. While the threat of Iran and Iraq bonded the six Arab monarchies for 30 years, their unique responses to regional developments after the Arab Spring weakened their security coordination, diplomatic cooperation and economic integration. Divergent threat perceptions, incongruent political priorities and competitive development goals are endangering the GCC. [The GCC will not die](#), but it will not achieve integration in the future.

First, GCC members hold divergent threat perceptions. Thus, the [Arab Spring](#) and the signs of [U.S. retrenchment under President Obama](#) sparked discordant uses of force. Saudi Arabia deployed its military to Bahrain and Yemen to quell Shia insurrections; the UAE targeted Islamists in Libya, Egypt and Yemen; Qatar conducted airstrikes in Libya and aided Islamists in Syria; Bahrain and Kuwait joined as tertiary members of the [Saudi-led coalition in Yemen](#); and Oman offered support for the global anti-ISIS coalition. These different responses to similar geopolitical circumstances reflect the small GCC states' - except Bahrain - rejection of Saudi proposals like a [unified military command](#), which would subordinate them to Saudi directives.

Security integration is all but impossible. The Saudi Arabia-UAE [alliance in Yemen is strained](#) as their respective proxy forces clash in Southern Yemeni governorates over the role of political Islamists in the UN-recognised government. Additionally, the U.S.-backed, implicitly anti-Iran [Middle East Strategic Alliance \(MESA\)](#) falters as prospective members withdraw over different assessments of Iran's maritime, cyber and land-based threat. There is simply no consensus.

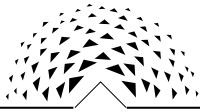
Second, incongruent political priorities trifurcate the GCC. The first group is Saudi Arabia, the UAE and Bahrain who - alongside Egypt - execute an [economic and diplomatic blockade of Qatar](#) to induce an end to its support for regional Islamist groups. The two-year blockade has accomplished none of the blockaders' original [13 demands](#) and positioned Qatar in a group of its own. [Qatar's independence has only increased](#), having formed economic links with Iran and military ties to Turkey. The third group, [Kuwait and Oman](#), represents the most hope for the GCC's survival. Both Emir Sabah and Sultan Qaboos maintain a collective gains approach to their attempts at arbitration and mediation within and among the actors in the Gulf. However, Kuwait's efforts to resolve the Qatar rift through shuttle diplomacy, as well as Oman's efforts to mediate between the U.S. and Iran, on the one hand, as well as Saudi Arabia and the Iranian-backed Houthis in Northern Yemen, on the other hand, have not resolved tensions among these interlocutors.

Political integration is also highly improbable. Despite the efforts of Kuwait's and Oman's seasoned statesmen, the young de-facto rulers of the other GCC states make ending the Qatar rift, and forming rapprochement with Iran, unforeseeable. The blockaders are set in their demands of [six principles to change Qatari behavior](#), Qatar has shirked its reliance on the Saudi-dominated GCC, and [Kuwait and Oman face geopolitical uncertainty](#) amid future monarchical transitions.

Third, the GCC confronts competitive development goals. The emboldened national identities of nearly each member, stemming from security activism and political intransigence, translate to economic competition. This is most apparent in constructing commercial ventures like Saudi Arabia's Neom City, Kuwait's Silk City or Qatar's 2022 FIFA World Cup infrastructure. There is also a growing [rivalry among Gulf national airlines](#) which is driving down collective profits. Additionally, further afield, Saudi Arabia, the UAE and Qatar, execute [competitive financial intervention](#) in the Horn of Africa and Yemen to project their soft power aims.

Economic integration is fading quickly. The GCC's most consequential economic rivalry is the expansion of deep-water shipping ports. Dubai's Jebel Ali remains the leader with a capacity of 21 million twenty-foot equivalent units (TEU). Nevertheless, Qatar's Port Hamad, Saudi's King Abdulaziz Port and Oman's Duqm Port are increasing to current capacities of 6 million, 4 million and 3.5 million TEU, respectively. Gulf states will continue to [court Chinese and Indian investment](#) in the expansions of their ports, a process that entails competition for both capital and traffic. National interests will continue to take precedence as [Iran targets Gulf oil flows](#) and transit through the Strait of Hormuz becomes uncertain.

Integration of Arab Gulf militaries, bureaucracies and economies will not succeed. Events of the last decade have spurred unprecedented unilateralism in these fields. The [death knell](#) has not rung for the GCC, nor will it; there will still be annual summits and mid-level coordination. But the aspirations of integration have faded into obscurity.



## JACOPO SCITA

Almost 40 years after its foundation, the Gulf Cooperation Council is facing an unprecedented set of internal and external challenges that are testing the Council's integration model. While internal rifts appear to be the most difficult to overcome, the emerging great power competition in the Gulf represents a quickly evolving scenario that opens interesting questions for the future of the organisation. Indeed, in order to face and take advantage of the reconfiguration of power brought in by China's growing presence in the region, a breakthrough in the GCC integration – sustained by a clear strategic vision – appears to be a necessary precondition. Arguably, time, the 'marriage of the world's supply heavyweight and the world's demand heavyweight', as Afshin Molavi has [brilliantly labelled](#) the China-Gulf relations, represents both a test and an opportunity for the GCC's capacity for working as a cohesive body without losing its peculiar flexibility.

The map of Chinese partnerships with GCC members shows a first evidence. Beijing enjoys [comprehensive strategic partnerships](#) – the highest possible according to Chinese doctrine – with Saudi Arabia and the UAE. Qatar, Oman and Kuwait have a *strategic partnership* with China. In contrast, Bahrain has not signed a partnership agreement with Beijing yet. In the last decade, however, a number of institutions and fora have been established (e.g. the China-GCC Strategic Dialogue) to negotiate regional deals, such as the [China-GCC Free Trade Agreement](#), and enhance the dialogue between Beijing and the GCC as a whole. The picture that emerges is quite clear. Institutionalisation and supra-national agreements do not represent preconditions for China to do business and increase its ties with the Gulf. When GCC-level institutions act as facilitators for negotiations, as in the case of the China-GCC FTA, Beijing is open to take that path, but bilateral agreements and projects form the strong backbone of China's presence in the Gulf.

The other side of the picture, however, shows the BRI as a project aimed to increase [regional and global interconnectivity](#) rather than simply enhancing China-GCC relations. Beijing's initiatives such as the "[Industrial Park and Port Interconnection, Two-Wheel and Two-Wing approach](#)" have been described by [Jonathan Fulton](#), Assistant Professor of Political Science at Zayed University and leading expert on China-Gulf relations, as a 'horseshoe starting from the Gulf, continuing along the Arabian Sea, up the Red Sea and into the Mediterranean Sea'. In this scenario, intra-GCC integration should give Gulf states a quite unique vantage point in a region that is still highly fragmented.

Therefore, I see China's growing presence in the Gulf as a potentially positive factor for the future of GCC. While the integration path seems facing a backlash due to political differences between the [Abu Dhabi-Riyad axis and Doha](#), the organisation proved to be enough strategically flexible. Indeed, GCC's member states have shown remarkable flexibility in, according to the circumstances,

accepting doing business with China directly or through GCC-level institutions. However, intra-GCC integration and coordination are necessary for Gulf states in order to enjoy a full and pivotal inclusion in China's Belt and Road Initiative. Therefore, despite internal tensions, the power reconfiguration happening in the Gulf could relaunch the momentum of GCC integration.

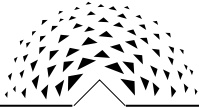
## MÁTÉ SZALAI

The Gulf Cooperation Council (GCC) is one of the primary manifestations of the second wave of institution-building in the Middle East which was characterised by the emergence of sub-regional entities based on collective interests and identities. While the GCC was arguably created as a political security alliance against rising common security challenges, it [has also become active](#) as a functional integration and a normative actor. Today it is the latter two aspects of the works of the GCC which can actually save it from collapsing.

When the GCC was created in 1981, the security perception of its member states was dominated by three factors. First of all, the Iranian Islamist revolution and the foreign policy of Tehran which officially aimed at exporting its system to other parts of the Middle East (especially where Shias constitute the local majority such as in Bahrain or Iraq) represented the most important strategic challenge. Second, the Iraqi Baathist leadership after the rise of Saddam Hussein to power in 1979, renewed the threat posed by the Arab nationalist government of Iraq and made it more aggressive (as it was proven by attacking Iran in 1980). Third, several trans-national networks tried to undermine the legitimacy of the Arab monarchies, including Islamists, Marxists or Arab nationalists.

These threats were big enough to forge a cooperation among the six Gulf monarchies lasting for decades, nevertheless, its existence did not mean a completely overlapping understanding of regional politics. The leadership of Saudi Arabia, Oman, Kuwait, Qatar, Bahrain and the United Arab Emirates did not see and evaluate the events of the Iraqi-Iranian war, the Kuwaiti war or those of the 1990s and 2000s, notwithstanding, they manage to nourish a satisfying level of cooperation and coordination through maintaining a high-level dialogue on both mutual interests and the exchange of individual interests.

By the 2010s, the gap between the security policy of the GCC states widened beyond repair. The different [perception of Iran](#) and [moderate Islamism](#), the more and more assertive policy of Qatar and Saudi Arabia, as well as the political and economic competition between small Gulf states (especially [between the UAE and Qatar](#)) led to tensions which made it impossible for the Council to operate as a security policy coordination forum. Therefore, if the function of the GCC had remained to be limited to security policy, it would have seized to exist.



Nevertheless, other functions of the Council have so far prevented it from breaking down. First of all, specific steps of institutionalised economic cooperation can be seen as beneficial for all participants (e.g. the Gulf Investment Cooperation or the [Gulf Organization for Industrial Consulting](#)). Second, officially dissolving the Council would send a rather negative message to global investors, a target audience of recent diversification attempts. Third, one of the biggest achievements of the GCC has been the [regionalisation](#) of the economic and business sphere, a form of bottom-up integration, which practically resulted in a pool for the human resources capabilities of the six member states. These benefits are independent from the political security and represents a win-win situation and their maintenance does not require positive actions from governments.

In this situation, I believe that the leaders of the six GCC states are incentivised to uphold the nominal existence of the Council in order to benefit from the political and economic profits it produces and to avoid the costs possibly arising after formally disbanding the institutional framework. This situation might change if the governments calculate that the positive sum game does not favour their interests, but for the time being, that is not the case. On the other hand, this also means that we cannot expect any substantial step towards further integration.