

# QATAR BETWEEN MARKETING AND REALPOLITIK

## A SMART BUSINESS MODEL FOR A MICROSTATE?

*Gidon Windecker / Peter Sendrowicz*

Though Libyan rebels hoisted the Qatari national flag with pride next to their own following the fall of Gaddafi in 2011, by the spring of 2013 things looked considerably different: from Tunis to Benghazi to Cairo, angry citizens burned the Gulf emirate's flags and effigies of the Qatari Emir. The gratitude the insurgents once had for the support of the wealthiest monarchy in the Gulf during the upheavals in the Arab world has given way to deep distrust. The weariness of Qatar's involvement in the internal affairs of revolutionary countries demonstrates that Qatar has suffered setbacks in their previous foreign policy strategy of supporting Islamist groups, particularly the Muslim Brotherhood. In addition, the 2022 World Cup, whose contract Qatar was awarded in 2010 and which should be the crowning achievement of its foreign policy stance, bears the risk of damaging the country's image. The precarious situation of migrant workers on the construction sites of future venues is casting a shadow on Qatar's efforts to project a positive image of itself to the world.

The microstate's policy strategy, particularly its foreign policy strategy, is somewhat puzzling to outside observers. The previous Emir, Sheikh Hamad bin Khalifa al Thani, passed a challenging legacy onto his son, Tamim bin Hamad al Thani, when he abdicated on 25 June 2013: on the one hand, Sheikh Hamad succeeded in catapulting Qatar into modernity during his 18-year reign and thus stayed true to his "Vision 2030", laying the foundations for life in an era when gas resources have ebbed. On the other hand, the emirate's multi-directional foreign policy strategy is not solely popular on the world stage. Qatar



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particularly faced accusations of aimless activism at times under former Prime Minister and simultaneous Foreign Minister Sheikh Hamad bin Jassim bin Jaber al Thani, who also resigned in June 2013. However, before addressing the foreign policy course the new Emir Tamim will set for his country, we must highlight the “smart power strategy”, which “His Highness, The Father Emir”<sup>1</sup> used in order to lay the foundation for the modern state of Qatar from 1995 to 2013.

### THE SMART POWER CONCEPT AND QATAR’S MOTIVES

In his classic work, *Soft Power – The Means to Success in World Politics* (2004), renowned American political scientist Joseph Nye coined the term smart power, combining the concepts of soft and hard power. This concept provides a suitable theoretical framework to better understand Sheikh Hamad’s strategy. While soft power allows the actor to win others over to him and his cause using attraction and persuasion, hard power is based on the traditional means of applying military and economic pressure and on a country’s financial strength. For Nye, the ability of succeeding on the world stage is a matter of the complementarity of

the two forms of power: “success will depend upon [...] a better balance of hard and soft power in [...] foreign policy. That will be smart power.”<sup>2</sup> Upon taking office in 1995,

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Sheikh Hamad pursued his own smart power approach in Qatar. Along with demonstrating its economic sovereignty, strength and military resolve on the hard power side, on the soft power side it established itself as a well-funded actor with a broad range of instruments at its disposal to draw in its target audience and gain its favour – because “soft power needs hard dollars”.<sup>3</sup>

- 1 | Official title of Sheikh Hamad bin Khalifa al Thani since power was passed to his son, Tamim bin Hamad al Thani, on 25 Jun 2013.
- 2 | Joseph Nye, *Soft Power – The Means to Success in World Politics*, New York, PublicAffairs, 2004, 147.
- 3 | Cynthia Schneider, “Culture Communicates: US Diplomacy That Works.”, in: *The New Public Diplomacy. Soft Power in International Relations*, New York, Palgrave Macmillan, 2005, 163.

As a first step, it is necessary to attract the attention of other actors and make them aware of one's own concerns. An appropriate means of doing so is branding. Simon Anholt sees this as "nothing less than a new approach to [...] international relations".<sup>4</sup> This implies turning a country into a highly recognisable international brand. It is then a matter of attracting stakeholders and forming a long-term and rather emotional bond with them. Regular communication of achievements, ongoing prestigious projects and other notable endeavours in the form of storytelling make for an effective tool here. It is crucial for a microstate such as Qatar to convince the other actors of the country's uniqueness in its particular niche. This approach may be heavy on PR and marketing, but substantive deeds must precede this communication strategy for the sake of authenticity. The success of a smart power strategy depends on the balance between the two. With an excess of hard power a country runs the risk of undermining its own soft power efforts. A purely soft power foreign policy strategy does not provide a state with the respect necessary for it to behave in a self-confident and assertive manner on the world stage. But before we examine Qatar's smartness under Sheikh Hamad, it behoves us to understand the former Emir's motives for pursuing the principles of smart power in shaping his country.

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Approximately 1.9 million people live in Qatar, an area half the size of Hesse where the approximately 250,000 Qataris represent the minority in their own country. With a per capita GDP of approximately 100,000 U.S. dollars, they are considered the richest people in the world. Qatari prosperity is based on the third-largest gas reserves in the world (after Russia and Iran) that lie off the emirate's coast. The backbone of Qatari society is formed by guest workers hired from Asia, who make up the majority of the population, and experts brought in from other Arab countries and from the West. They keep the country running practically and logistically. Qatar is characterised by a high degree of internal stability, owing to the fact that the state allows its citizens – the emphasis is on Qataris – generous participation in the country's wealth. Tax exemption, free electricity,

4 | Simon Anholt, *Places: Identity, Image and Reputation*, Houndmills, Palgrave Macmillan, 2010, 8.

education and health care are intended to compensate for previously non-existent political participation. In order to be able to keep up this domestic standard of living in Qatar, and by doing so allowing the emirate to continue to develop in a stable environment, Sheikh Hamad envisioned smart power as the appropriate way to prepare his country for the future.

Qatar consistently faces two main concerns within the regional structure: first, there is the constant worry of an Iranian or Saudi invasion. The emirate's endeavours should primarily be seen from a self-protectionist point of view with regards to its two enormous neighbours. Qatar views

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the Second Gulf War as a precedent and fears Iran may take the same actions with the Gulf monarchy that Iraq once did with Kuwait. Ultimately Qatar and Iran are both exploiting one of the world's largest natural gas fields.

However, because Qatar is more technologically developed than Iran, it extracts more gas at a more rapid rate. Thus both countries' ambitions for extraction threaten to come to a head. As for their other large neighbour, relations with Saudi Arabia are always characterised by mistrust. Even their common membership in the Gulf Cooperation Council cannot conceal this. The spectre of annexation by Saudi Arabia always looms in Qatar's foreign policy considerations. Qatar intends to use both hard and soft power to draw in as many stakeholders as possible who have a vested interest in the country's integrity.

Undoubtedly the second reason for Sheikh Hamad's strategy is the need to establish Qatar as a comparatively liberal, generous, advanced and business-savvy location so that it remains competitive among its regional rivals, Bahrain and the United Arab Emirates. All these states are part of the global race to attract tourists, factories, companies and new talents. Though it may rankle Qatar that it will not host the Formula 1 Championship, it has succeeded in outdistancing Bahrain and Abu Dhabi with its branding. Taking on Dubai, however, remains a challenge in any case, especially after it was awarded the contract to host the World Exhibition in 2020. In addition to the 2022 FIFA World Cup, Qatar has scored an unprecedented series of first-class sporting events, including the World Handball

Championship in 2015 and the Road World Championships in 2016. Both emirates must now promptly prepare to stage world events by which they will be measured.

### **SMART POWER AS A NATIONAL STRATEGY**

Shortly after his accession to the throne in 1995, Sheikh Hamad had already made hard and soft power the cornerstones of his plan to establish the Gulf monarchy as an influential player on the world stage. This undertaking was only possible due to the emirate's immense financial resources. What are the pillars of his strategy?

#### **The Foundations of Modern Qatar**

Admittedly it seems unnatural to speak of Qatar having the size for hard power when one considers that the country has the second smallest army in the Middle East with only 11,800 troops.<sup>5</sup> But Qatar tried to find a solution to this shortcoming. Sheikh Hamad had the high-tech air force base at al Udeid built in 1996 for one billion U.S. dollars, promising: "If we build it, they will come."<sup>6</sup> And come they did. The United States operates one of its largest air force bases outside its own borders at al Udeid, making it a guarantor of Qatar's protection from where the emirate draws its confidence. The Emir compensated for the insufficient number of recruitable men available from Qatar's own population by allowing the country to exude a military aura through its cooperation with the American military forces. Later, during the upheavals in the Arab world, Qatar would sharpen its profile with its own military intentions and actions, though only because it can continue to assume that the U.S. will not be quick to desert it. Qatar's economic and thus financial means of applying pressure thanks to its enormous gas reserves are the deciding factors for Qatar's self-confidence in issues of hard power. In view of ever higher energy prices and the constant global energy demand, Qatar has considerable

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5 | Vgl. Christopher M. Blanchard, "Qatar: Background and U.S. Relations", Congressional Research Service, 6 Jun 2012, <http://fas.org/sgp/crs/mideast/RL31718.pdf> (accessed 20 Dec 2013).

6 | Glen Segell, *Disarming Iraq*, London, Glen Segell Publishers, 2004, 73.

economic power. Numerous international importers rely on Qatari liquefied petroleum gas processed in Ras Laffan, the industrial plant established in 1997 incorporating several gas liquefaction plants in northern Qatar. Natural gas has become one of the world's most important energy resources and already accounts for one-fifth of global energy consumption.<sup>7</sup> Threatened supply shortages on the international energy market could involve profound impacts in the world marketplace. The emirate uses its income from the gas industry to enforce its economic interests on a grand scale.

### **The Magic of Soft Power: Multi-faceted Branding**

The emirate compensates for its military and economic tough side with a broad spectrum of measures to enhance its soft power. By founding the television station *Al Jazeera*, the mouthpiece for Qatar's Storytelling, in 1996, Doha sought to prove that it was possible to break the Anglo-American monopoly on news broadcasting. *Al Jazeera* is used as Qatar's soft power weapon. The station serves as the opinion maker in the region and, at least since the introduction of its English-language version in 2006, has contributed to the emirate's foreign communications strategy worldwide. It has international offshoots in the Balkans, Latin America and Africa, not to mention Qatar's recent purchase of American and European television channels. The political influence *Al Jazeera* had on the upheavals in the Arab

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world should especially not be underrated: the Egyptians followed *Al Jazeera's* pro-revolutionary round-the-clock coverage of the events in Tunisia and the Libyans in turn were inspired by the live images from Tahrir Square in Cairo. The TV station thus contributed to a chain reaction. However, this did not extend to Bahrain. The suppression of the protest movement in Manama in 2011, which was even indirectly supported by the Qatari security forces, was hardly mentioned on the Arabic-language *Al Jazeera* channels. This clearly demonstrates *Al Jazeera's* role as a subliminal, or soft, instrument of Qatari foreign policy. Within this context critics even speak of an Islamist agenda

7 | "An unconventional bonanza", *The Economist*, 12 Jul 2012, <http://economist.com/node/21558432> (accessed 20 Dec 2013).

propagated by *Al Jazeera*, particularly mentioning a show hosted by Islamist theologian Yusuf al-Qaradawi, which the channel has long broadcast. The native Egyptian leader of the Muslim Brotherhood has lived in Qatar since 1961. He is considered an influential Sunni scholar who has reached an audience of millions of Muslims with his show, "Sharia and Life", on *Al Jazeera*. As such, Qatar has provided the Muslim Brotherhood with an ideological platform. For his part, Qaradawi supported Qatar's policies in Arab crises in 2011.

Another pillar of Qatar's soft power strategy is direct investment abroad. Investments in international companies increase Qatar's global visibility. In doing so, the emirate simultaneously ensures that the states these companies are based in have a vested interest in Qatar's stability and physical integrity.

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From the beginning of his reign, Sheikh Hamad sought to establish Qatar as a global centre of culture, innovation, education and sports. The driving force for this was Sheikha Mozah bint Nasser al Missned, the second of his three wives. As founder and chair of the Qatar Foundation (founded in 1995), she has brought international students and prestigious universities together at the Education City campus in Doha. Together with the Qatar Science & Technology Park, this initiative can be interpreted as a plan to secure Qatar a central place in the "new silk roads of knowledge".<sup>8</sup>

Acquiring intellectual capital was always high on Sheikh Hamad's agenda. His daughter, Sheikha Mayassa bint Hamad bin Khalifa al Thani, is particularly involved in cultivating cultural capital as chair of the Qatar Museum Authority. Sheikh Hamad hoped to profile Qatar as a figurehead for Arab and Islamic culture – a project that dates back to the construction of the impressive Museum of Islamic Art as Doha's trademark. At the same time, his daughter Mayassa has striven to establish Qatar's capital as a hub of modern art, recently succeeding in securing a Damian Hirst Retrospective in Doha through to January 2014. Sheikh Hamad intended to make Qatar an inter-

8 | Alexander Smoltczyk, "The Desert Dreams of German Architect Albert Speer", *Der Spiegel*, 1 Jun 2012, <http://spiegel.de/international/spiegel/a-836154.html> (accessed 20 Dec 2013).

national hub in the MICE industry (meetings, incentives, conference, exhibitions). The intention was that various international actors should meet here to network. Large conferences, such as the World Climate Summit 2012 in Doha, were to reflect his ambitions: Doha as a year-round Davos.



The Museum of Islamic Art in Doha: Qatar's prestigious trademark shows the Emirate's ambitions of becoming the next cultural hub of the Arab world. | Source: © Peter Sendrowicz.

In order to appeal to both elites and the masses, Sheikh Hamad saw sports as a way to establish Qatar as a brand with high recognition value. In addition to the events mentioned above, Qatar has secured a prominent place in the international sporting calendar, including tennis, equestrian sport and golf. Even before the 2022 World Cup kicks off, Qatar has secured visibility in popular sports by buying French football club Paris St. Germain and by sponsoring FC Barcelona. One only need look at Qatar Airways and FC Barça's joint promotional clip released in 2013<sup>9</sup> to get an impression of the attraction and persuasion Qatar's soft power apparatus is capable of.

Ultimately, another cornerstone of Sheikh Hamad's strategy lay in Qatar's regular diplomatic efforts, at least until 2011. The microstate's credo was to get along with anyone and everyone. The multi-dimensional network Qatar worked to build with a notably varied range of international

9 | "FC Barcelona and Qatar Airways, a team that unites the world", FC Barcelona, 27 Aug 2013, <http://fcbarcelona.com/club/detail/article/fc-barcelona-and-qatar-airways-a-team-that-unites-the-world> (accessed 20 Dec 2013).



actors is unprecedented. Qatar occupied a niche as a mediator, restoring communication channels that had broken down between enemy parties. What other state can claim to simultaneously be a strong ally of the U.S. and maintain active relations with Israel (at least until 2008) while simultaneously financing Hamas and Hezbollah and keeping up a stable relationship with Iran? The multi-dimensionality of Qatar's diplomatic relations is particularly clear in the case of Israel. In 1996, the emirate and Israel instituted reciprocal trade missions in Tel Aviv and Doha. This type of informal embassy had never previously been observed anywhere. The relationship was even maintained after the outbreak of the al-Aqsa Intifada in 2000. Only with the Gaza War in 2008/2009 did Qatari-Israeli relations begin to freeze and Israeli representatives were expelled from Doha. In February 2008, Sheikh Hamad had upheld his invitation to former Israeli Foreign Minister Tzipi Livni to attend the eighth Doha Forum on Democracy, Development & Free Trade.<sup>10</sup> The fact that Qatar was prepared to maintain a pragmatic relationship with Israel should be regarded as another of the emirate's diplomatic manoeuvres. A list of short and long-term conflicts mediated by Qatar reads like a Who's Who of international trouble spots: the Doha Agreement in the 2008 Lebanon conflict, the cease-fire agreement in Yemen in 2008 and in the North/South Sudan conflict in 2010, the Doha agreement in the Fatah-Hamas conflict in 2012, as well as conflicts in Western Sahara, Algeria, Eritrea/Ethiopia and Somalia. Sheikh Hamad was occasionally hailed as the "Arab Kissinger" or "Bismarck". His smart power strategy can be evaluated as an attempt that either evokes enthusiasm or a shake of the head among observers, though hardly anyone is left without an opinion on it. Sheikh Hamad has succeeded in gaining his country notice on the international stage, which was one of his greatest hopes.

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10 | Katja Niethammer, "Katar als arabischer Konfliktmediator: Neuer Hoffnungsträger oder Gernegroß?", *GIGA Focus*, No. 8, 2010, [http://giga-hamburg.de/dl/download.php?d=/content/publikationen/pdf/gf\\_nahost\\_1008.pdf](http://giga-hamburg.de/dl/download.php?d=/content/publikationen/pdf/gf_nahost_1008.pdf) (accessed 20 Dec 2013).



Since December 2010 jersey advertising partners: The Qatar Foundation pays the FC Barcelona 170 million euros for a five-year sponsorship agreement. | Source: Christopher Johnson, Globalite Magazine ©①©.

## **QATAR'S FOREIGN POLICY ADVENTURE**

With the upheavals in the Arab world 2011, the emirate's strategy of soft diplomacy significantly changed. Qatar went from being a mediator to an actor governed by strict interests and began to take a clear position in favour of the revolutionary movements in the Arab world. Their previous approach of getting along with everyone was abandoned in favour of raising their military profile.

### **From Mediator to Regional Player**

Qatar provided Islamist rebels in crisis countries with both weapons and financial resources. Furthermore, following a decision by the Gulf Cooperation Council and together with Saudi Arabia and the United Arab Emirates, Qatar sent troops to Bahrain to demonstrate its support for the royal family. This change was based on a number of strategic considerations. First, those in power in Doha saw the Muslim Brotherhood as a rising star that would determine the future of the Middle East. The Emir had already begun fostering a good relationship with them in the hopes that a Middle East governed by an Islamist league would strengthen Qatar's position of power. In doing so, he assumed even the radical groups would commit to more

moderate policies once they were in power.<sup>11</sup> Moreover, this situation provided Qatar's neighbours with an opportunity in terms of conflict areas, but the conservative Saudi royal family saw the Muslim Brotherhood as competition for the Salafist groups it supported. Even if the upheavals initially drove Qatar closer to Saudi Arabia – and it did result in the Gulf Monarchies jointly protecting themselves from the revolts – their support of the rebels quickly distinguished their interests from Saudi Arabia's.<sup>12</sup> A strong alliance with the Sunni Muslim Brotherhood also provided Qatar the opportunity to establish itself as a strategically useful counter-pole to Shiite Iran. This also helps to explain Qatar's stance on the conflict in Bahrain: unlike in Libya or Egypt, here it was a matter of defending the Sunni royal families against Iran's alleged infiltration attempts.

With this reorientation in 2011, Qatar has become skilled in the art of soft diplomacy and has risen to become a stirring regional player. However, its military resolve has led to unexpected challenges.

### **Backing the Wrong Horse**

The era of Sheikh Hamad came to an end on 25 June 2013. For the first time in the history of the Qatari royal family, power was peacefully and voluntarily handed over to the next generation. This raises the question of why the change took place in the summer of 2013 whereas it was widely expected to happen when the Emir celebrated his jubilee in 2015. There is no question that Sheikh Tamim has taken up his father's legacy at an extremely difficult time. In fact, in the months before the changeover it became clear that Qatar had overextended in its foreign policy efforts, particularly with its uncompromising support of the Muslim Brotherhood, and that a policy reorientation was necessary.

11 | Lina Khatib, "Qatar's foreign policy: the limits of pragmatism", *International Affairs* 89, 2, 2013, 424.

12 | Thomas Pierret, "The Reluctant Sectarianism of Foreign States in the Syrian Conflict", United State Institute of Peace, *Peacebrief* 162, 18 Nov 2013, <http://usip.org/sites/default/files/PB162.pdf> (accessed 20 Dec 2013).

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The proactive foreign policy focus that has been a critical marker of the emirate's unilateralism since 2011 has backfired in several key areas. What had served as a long-term consolidation of the ruling family's power from a Qatari perspective was perceived as a threat to regional and international interests abroad. For example, Qatar participated in a NATO mission for the first time in Libya in 2011. The country supported the rebels with weapons, combat equipment and training. Among other things, six Mirage aircraft were made available for use. Qatar took over the role of Chairman of the Arab League and helped the rebels with their own news channel in Doha. Yusuf al-Qaradawi called for Gaddafi to be overthrown on *Al Jazeera*. Furthermore, a meeting of the Libya Contact Group, an international military alliance, was held in the Qatari capital in April 2011. The emirate has invested a total of two billion U.S. dollars in the revolution.<sup>13</sup>

However, Qatar then irritated its allies with its continued unilateral support of Islamist powers outside of the international coalition.<sup>14</sup> This tactic should have served to strengthen Qatari influence beyond the alliance, but it simultaneously subverted the efforts of other Arab and Western countries to build a stable transitional government. Qatar's excessive zeal not only triggered international irritation, but also the wrath of the Libyan people. Soon Qatari flags were burning. The police cars financed by the emirate were repainted so that the Qatari national colours were no longer visible.<sup>15</sup>

Unlike in Libya, Qatar initially hesitated to support the Islamist rebels in Syria. Fears that the end of Bashar al-Assad's regime, which had long been an ally, could influence the fragile balance of power among the Gulf monarchies and Shiite Iran were too great. Thus, Qatar initially engaged in diplomacy while simultaneously allowing Qaradawi's harsh words against the Syrian regime to increase the tensions

13 | Khatib, n. 11, 421.

14 | Jeremy Shapiro, "The Qatar problem", *Foreign Policy*, 28 Aug 2013, [http://mideastafrica.foreignpolicy.com/posts/2013/08/28/the\\_qatar\\_problem](http://mideastafrica.foreignpolicy.com/posts/2013/08/28/the_qatar_problem) (accessed 20 Dec 2013).

15 | "Qatar's foreign policy. Change of tack", *The Economist*, 15 Jul 2013, <http://economist.com/blogs/pomegranate/2013/07/qatar-s-foreign-policy> (accessed 20 Dec 2013).

between Doha and Damascus.<sup>16</sup> In the end the emirate was the first Arab country to withdraw its diplomatic representation from the Syrian capital and, as in Libya, became a mouthpiece for military action. According to *The Financial Times*, as of May 2013 Qatar had invested up to three billion U.S. dollars in the armed uprisings.<sup>17</sup>

However, allegations have also been made that Qatar was discretely organising arms for radical Islamists outside the internationally recognised Syrian Military Council. In doing so the emirate promoted an internal split within the country and ultimately contributed to the escalation of the conflict through the fragmentation of the opposition. Critics in the Arab world jeered that Sheikh Hamad wanted to become a new Gamal Abdel Nasser, in reference to the pan-Arab Egyptian president. In addition, their support of the Muslim Brotherhood in particular led to Saudi Arabia providing more weapons and greater financial support to Salafists and other groups that rivalled the Muslim Brotherhood.<sup>18</sup> This race culminated in mid-June, 2013, when U.S. President Barack Obama called for the rebels to be armed after Assad's troops gained the upper hand following the Battle of al-Qusayr. The Saudi king then returned from his holiday in Morocco<sup>19</sup> and seized the opportunity to rehabilitate Saudi Arabia's leadership role by forming a partnership with Western powers in order to prevent Qatar from achieving this aim. In doing so, the monarchy focussed on

**Critics in the Arab world jeered that Sheikh Hamad wanted to become a new Gamal Abdel Nasser, in reference to the pan-Arab Egyptian president.**

16 | Guido Steinberg, "Qatar and the Arab Spring. Support for Islamists and New Anti-Syrian Policy", *SWP Comments* 7, Feb 2012, 5, [http://swp-berlin.org/fileadmin/contents/products/comments/2012C07\\_sbg.pdf](http://swp-berlin.org/fileadmin/contents/products/comments/2012C07_sbg.pdf) (accessed 20 Dec 2013).

17 | Gamal Abdel Nasser of Egypt ruled from 1945 to 1970 and made the country the most important major power in the region. Roula Khalfa and Abigail Smith, "Qatar bankrolls Syrian revolt with cash and arms", *Financial Times*, 16 May 2013, <http://ft.com/intl/cms/s/0/86e3f28e-be3a-11e2-bb35-00144feab7de.html> (accessed 20 Dec 2013).

18 | Both Saudi Arabia and Qatar also support non-Islamist groups. It is less about ideological interests as it is about securing their own political influence. Thomas Pierret, "The Reluctant Sectarianism of Foreign States in the Syrian Conflict". Pierret, n. 12.

19 | "Saudi King Abdullah cuts holiday short due to 'events in the region'", *Al Arabiya*, 15 Jun 2013, <http://english.alarabiya.net/en/News/middle-east/2013/06/15/Saudi-King-cuts-holiday-due-to-developments-in-the-region-.html> (accessed 20 Dec 2013).

weakening the Muslim Brotherhood. As a result, Qatar's influence was once again pushed back.<sup>20</sup> The ultimate decision of the U.S. not to invade Syria for the time being threw a spanner in the works of both Gulf states.<sup>21</sup>

Another point of international criticism was the Emir's visit to the Hamas-ruled Gaza Strip in October 2012, together with a 400 million U.S. dollars grant to the Islamists. Though there was great outrage in Washington and from the Palestinian Authority in Ramallah, the fall of the Mursi regime weakened the Islamists in Gaza as well and Doha forfeited its leadership role in the intra-Palestinian negotiations.<sup>22</sup> Things are also not going nearly as well for the Muslim Brotherhood in Tunisia, whom Qatar supported, as in the days of the Jasmine Revolution. The Islamist El-Nahda party is coming under increasing pressure and has considerably lost in prestige and influence among the population.<sup>23</sup> The same is true for Turkish Prime Minister Recep Tayyip Erdoğan, whose conservative Islamic rule has been challenged through the country-wide anti-government protests. The corruption scandals unveiled in December 2013, which involve leading cabinet members, have contributed to a further decline of power. Moreover, the continuous Syria crisis leaves a heavy mark on the country.<sup>24</sup>

- 20 | David B. Ottaway, "The Saudi-Qatari Clash Over Syria", *The National Interest*, 2 Jul 2013, <http://nationalinterest.org/commentary/the-saudi-qatari-clash-over-syria-8685> (accessed 20 Dec 2013).
- 21 | Saudi King Sheikh Abdullah seemed so angry about this decision and the start of negotiations with Iran that he declined Saudi Arabia's long-fought temporary seat on the UN Security Council. David Ignatius, "The U.S.-Saudi crackup reaches a dramatic tipping point", *The Washington Post*, 23 Oct 2013, <http://washingtonpost.com/blogs/post-partisan/wp/2013/10/23/the-u-s-saudi-crackup-hits-a-dramatic-tipping-point> (accessed 20 Dec 2013).
- 22 | Jonathan Schanzer, "Confronting Qatar's Hamas ties", *Politico*, 7 Oct 2013, <http://politico.com/story/2013/07/congress-qatar-stop-funding-hamas-93965.html> (accessed 20 Dec 2013).
- 23 | Anna Antonakis-Nashif, "Legitimitäts- und Verfassungskrise in Tunesien", *SWP-Aktuell* 49, Aug 2013, [http://swp-berlin.org/fileadmin/contents/products/aktuell/2013A49\\_atk.pdf](http://swp-berlin.org/fileadmin/contents/products/aktuell/2013A49_atk.pdf) (accessed 20 Dec 2013).
- 24 | Kareem Fahim, "For Turkey's Leader, Syria's War Worsens His Problems at Home", *The New York Times*, 12 Sep 2013, <http://nytimes.com/2013/09/13/world/middleeast/for-turkeys-leader-syrias-war-worsens-his-problems-at-home.html> (accessed 20 Dec 2013).

However, the real drama was to occur a few days after the Sheikh Tamim took office when Egyptian President Mohamed Mursi was ousted from power by the military on 3 July 2013. Thus began the campaign against the Muslim Brotherhood. Nothing could have been worse for the leadership in Doha, for they had placed all their foreign policy eggs in one basket and subsequently were confronted with their allies' displeasure. When Mursi came to power he received eight billion U.S. dollars from Qatar. This was poured into new power structures, but also to Hamas in Gaza and the rebels in Syria. But now the Egyptian president and 2,000 senior officials had been arrested and in September 2013, the Brotherhood was outlawed.<sup>25</sup> Qatar was forced to recognise that it had bet its ambitions on the wrong horse. Unlike what had been calculated, it was now obvious that the future of the Middle East would not lie in the hands of the Islamists.



Source of resentment between Qatar and the Afghan government: The Taliban office in Doha that operated for a short period of time in 2013. | Quelle: © Str, picture alliance.

Saudi Arabia welcomed the developments in Egypt and responded by granting five billion U.S. dollars to the new military regime. In addition, the United Arab Emirates and Kuwait contributed seven billion U.S. dollars.<sup>26</sup> Tensions between Qatar and Egypt grew. The new leadership on the Nile rejected Qatar's request for an increase in the

25 | Aryn Baker, "Qatar Haunted by Its Decision to Back the Arab Spring's Islamists", *Time*, 26 Sep 2013, <http://world.time.com/2013/09/26/qatar-haunted-by-its-decision-to-back-the-arab-springs-islamists> (accessed 20 Dec 2013).

26 | Ibid.

number of flights between the two countries and unceremoniously returned two billion U.S. dollars. According to media reports, *Al Jazeera* offices in Cairo were closed and the local branch was outlawed. Seven journalists were arrested; two of them are still in detention.<sup>27</sup>

In terms of supporting Islamists, Qatar's foreign policies have failed for the time being. The promising rise of the Muslim Brotherhood suddenly seems to be history. But even in its soft power diplomacy, the Qatari government was not unequivocally. For instance, the attempt at mediation between the Taliban and the Afghan government failed. President Hamid Karzai accused Qatar of having given the Taliban the opportunity to present their new Doha office as the "embassy" of an "Afghan government in exile". He called for the immediate removal of their flag from the building. This incident led to the cancellation of planned talks between American diplomats and Taliban representatives. Finally, the Taliban decided to close their office.<sup>28</sup> The failed attempt at institutionalisation and expected recognition of the Islamists also reduces the prospects of future negotiations between the conflicting parties.

### BACK TO SOFT POWER – ONWARDS TO AGENDA 2030

**Qatar's foreign policy setbacks have catalysed a power shift. Along with the Emir, the Prime Minister and Foreign Minister was also removed from office.**

Against the backdrop of the setbacks in Libya and Syria and several months in advance of impending upheaval on the Nile, it is not surprising that Qatar's foreign policy setbacks have catalysed a power shift. Along with the Emir, the Prime Minister and Foreign Minister was also removed from office. As head of the Qatar Investment Authority, Hamad bin Jassim, one of the wealthiest and most influential people in Qatar, was responsible for both international investments and supporting the Islamists. Furthermore,

27 | "Egypt returns \$2 billion to Qatar in sign of growing tensions", Reuters, 19 Sep 2013, <http://reuters.com/article/2013/09/19/us-egypt-qatar-deposits-idUSBRE98I0N020130919> (accessed 20 Dec 2013); "Calls to free Al Jazeera journalists in Egypt", *Al Jazeera*, 10 Nov 2013, <http://aljazeera.com/news/middleeast/2013/11/calls-free-al-jazeera-journalists-egypt-2013111015424142299.html> (accessed 20 Dec 2013).

28 | Ben Farmer, "Taliban close Qatar office in protest at flag removal", *The Telegraph*, 9 Jul 2013, <http://telegraph.co.uk/news/worldnews/asia/afghanistan/10169161/Taliban-close-Qatar-office-in-protest-at-flag-removal.html> (accessed 20 Dec 2013).



the royal family ostensibly feared the Prime Minister could dispute Prince Tamim's succession.<sup>29</sup> He was then forced to resign from both posts, alleviating many of Sheikh Hamad bin Kahlifa's fears at once and ushering in the change of power. The office of the Prime Minister was handed over to the former Deputy Interior Minister, Sheik Abdullah bin Nasser al Thani, a move which should indicate that in the future, policy will focus more on domestic matters; he was simultaneously appointed Minister of the Interior.

It is therefore clear that the change in leadership is only partly responsible for the policy shift. Rather the transfer is part of Qatar's strategy of behaving more cautiously from now on and tackling the damage to the country's image that has resulted from its adventures. The new Emir, 33-year-old Sheikh Tamim, appears to be the right man for the job; as chairman of the National Olympic Committee and the person responsible for relations with FIFA and planning the World Cup, he is an outspoken ambassador for the principle of soft power. Educated at Sherborne, an elite British school, and the Royal Military Academy at Sandhurst, the Emir is also the chairman of the Qatar Investment Authority and the son of the glamorous Sheikha Mozah who is a national symbol for social commitment and education.

In this respect, the power shift in Doha can be seen as part of this smart power strategy. The motto is to refrain from foreign policy adventures and work even harder to deal with domestic developments. Ultimately meeting the challenge of the country's numerous major projects on time is what is important. This new focus was more than evident in the young Emir's inaugural speech where he called for "avoiding arrogance" and spoke almost exclusively about his country's economic and social development. He particularly focussed on the need for education and diversifying the economy. In addition, Qatar will "remain true to its values and principles" and strive to "solidify" its "brotherly relations" with member states of the Gulf Cooperation Council and the Arab League. Regarding its foreign policy orientation, he stressed that Qatar would "respect political

29 | Sonja Zekri, "Gernegroß stößt an seine Grenzen", *Frankfurter Allgemeine Zeitung*, 11 Nov 2013.

trends in the region”, though it would “not support one of these trends over another”.<sup>30</sup>

What was striking about the speech in particular was that the Emir did not mention the armed conflict in Syria. While it cannot be assumed that the numerous alliances with the Muslim Brotherhood have been resolved and that Qatar has given up its role in Syria, it is expected for them to take on a softer tone. Following the Egyptian military’s takeover, *Al Jazeera* announced that Qatar supports “the Egyptian people” and not a specific party. The emirate respects “the will of the Egyptian people”.<sup>31</sup> Sheikh Yusuf al-Qaradawi, who had promoted the rise of the Islamists on *Al Jazeera*, has now been indirectly reprimanded for continuing to support Mursi.<sup>32</sup>

In terms of regional power politics, the consequences of the possible fall of the Assad regime on the balance of power between the Gulf monarchies and Iran are not to be underestimated. A shift is already becoming apparent in the rapprochement between Iran and the West, a fact that is observed with concern by Gulf rulers. The end of trade sanctions means their dreaded neighbour is at the very least being reassessed. In addition, modernising Iranian industry for the Islamic Republic brings along with it a greater contingent for developing the Iranian-Qatari gas fields.

**The inhumane working conditions of migrant workers who are working on infrastructure for the 2022 World Cup and the deaths that have resulted are a source of considerable damage to the country’s image.**

But Qatar is even facing a great number of challenges domestically, not least with regard to the upcoming major projects with a total value of 150 billion U.S. dollars. Furthermore, the inhumane working conditions

of migrant workers who are working on infrastructure for the 2022 World Cup and the deaths that have resulted are a source of considerable damage to the country’s image.<sup>33</sup> In a similar vein, scandals such as that involving French footballer Belounis Zahir, who was held along with his family for 18 months in accordance with Qatari labour law,

30 | Inaugural speech by Emir Tamim bin Hamad al Thani on 27 Jun 2013, broadcast live on *Al Jazeera*.

31 | *Al Jazeera*, 3 Jul 2013.

32 | N. 15.

33 | Markus Bickel, “Autoritärer Baumeister”, *Frankfurter Allgemeine Zeitung*, 11 Nov 2013.

are not exactly conducive to improving public opinion on Qatar's brand.<sup>34</sup> Fundamental labour market policy reforms are necessary and better working conditions must be provided for international workers.

The objectives of "Agenda 2030" provide not only for the diversification of the economy away from dependence on non-renewable energy resources, but also for the nationalisation of the labour market, which continues to be dominated by some 1.65 million migrant workers. Currently, only a few Qataris are prepared to complete their professional training and enter the labour market. The vision of the local people taking their country's development into their own hands is still quite far off.

Qatar is also facing major domestic challenges. Although Sheikh Hamad introduced a constitution, promoted education for women and granted them active and passive voting rights, their acceptance in public roles is progressing very slowly. The election of the Legislative Council (Majlis al-Shura) has been delayed for years and the power structure continues to be based upon a balance between the ruling family and individual tribes.<sup>35</sup> Criticism of the royal family's policies and internal policy debates remain taboo. The new Emir's strategy seems to be promoting the creation of institutions and committees to work alongside the relevant ministries for health, education, culture and sports.<sup>36</sup> Whether this will create a civil society that acts independently remains to be seen.

**The new Emir's strategy seems to be promoting the creation of institutions and committees to work alongside the relevant ministries for health, education, culture and sports.**

34 | According to the guarantee system (Arabic: *al-kafala*), which is controversial in the international community but typical of Gulf states, foreign workers may not leave the country without their employer's permission. Cf. "Zahir Belounis: French footballer finally able to leave Qatar", *BBC*, 27 Nov 2013, <http://bbc.com/sport/0/football/25116925> (accessed 20 Dec 2013).

35 | Nadine Scharfenfort, "Herrschaftswechsel in Katar – gleicher Kurs oder neue Wege?", *GIGA Focus* 7, 2013, 2 et seq., [http://giga-hamburg.de/de/system/files/publications/gf\\_nahost\\_1307.pdf](http://giga-hamburg.de/de/system/files/publications/gf_nahost_1307.pdf) (accessed 20 Dec 2013).

36 | "No more own goals", *The Economist*, 26 Sep 2013, <http://economist.com/news/middle-east-and-africa/21586886-new-emir-wants-more-discipline-home-and-less-risk-taking-abroad-no-more-own> (accessed 20 Dec 2013).

Despite having the world's highest per capita GDP and its self-confident international facade, Qatar remains a vulnerable microstate wedged between its large neighbours, Saudi Arabia and Iran. In the long-term this cannot be gilded by its smart advertising strategy. What is certain is that the emirate will not achieve true stability and constancy solely through strong alliances and international furore, but by involving young people in particular in society and political life. Long-term success can only be achieved with a labour market that is not dependent on gas revenues and a qualified local workforce that will remain in the country even in the event of a crisis.