

Qatar's international role: branding, investment and policy projection

By J. E. Peterson

■ Executive summary

Since the 1980s Qatar has achieved prominence and even notoriety in the Middle East, and recognition around the globe. This transformation is a direct result of the palace coup d'état in 1995 when Sheikh Hamad bin Khalifah Al-Thani overthrew his father and set a new direction for his country.

Qatar's newfound prominence can be seen as the result of three overlapping strategies for survival and influence: cultural branding, financial investment and policy projection. These strategies have been desirable, even fundamentally necessary, because of Qatar's small size combined with its enormous wealth. However, Qatar's policies are not without controversy, in particular the accusations that it is supporting Islamist groups and political parties, and that its support for revolution and democracy abroad is coupled with continuing repression at home.

Even well into the 1980s Qatar was one of the smallest, least populated and most overlooked of the small states of the Gulf. Its oil production seemingly had peaked and Doha was the least attractive capital in the Gulf. The situation has changed dramatically since then as Qatar has achieved prominence and even notoriety in the Middle East and recognition around the globe. This transformation is a direct result of the palace coup d'état in 1995 when Sheikh Hamad bin Khalifah Al-Thani overthrew his father and set a new direction for his country.

Qatar's newfound prominence can be seen as the result of three overlapping strategies for survival and influence: cultural branding, financial investment and policy projection. These strategies have been desirable – even fundamentally necessary – because of Qatar's small size combined with its enormous wealth. Although the population of the country is about 1.8 million people, only some 15%, or about 270,000, are Qatari nationals. As the world's largest exporter of liquified natural gas (LNG), Qatar's per capita income is over \$100,000 per year.

Branding

Branding a state is a difficult, long and expensive process requiring the creation or exploitation of a unique niche or set of niches. In its early initiatives Qatar seemed to be attempting to emulate nearby Dubai's success. But successful branding for Qatar requires achieving distinctiveness. Significant efforts have been channelled into cultural and sports branding that have included:

- the annual Qatar Cultural Festival;
- the magnificent Museum of Islamic Art, as well as museums of history, photography, textiles and modern art;
- the Al Jazeera satellite television station, which ushered in a new era of critical and controversial broadcasting in the Arab world;
- the establishment of Education City with local branches of a number of prominent U.S. universities, as well as offices of the Rand Corporation, the Brookings Institution and the Royal United Services Institute; and
- the creation of Qatar Airways and its development into one of the world's major carriers.

In addition, major sporting events have been held or are scheduled to be held in Qatar, including:

- the ExxonMobil Open tennis tournament;
- the Qatar Masters golf tournament;
- the Qatar International Rally in auto racing;
- the Asian Games; and, controversially
- football's FIFA World Cup in 2022.

The exercise in branding has increased the prestige of the country and raised the recognition of Qatar around the world. It may further or deepen the legitimacy of the micro-state and thus enhance the prospects of its survival. But once Qatar found itself on the global map, it was necessary to entrench and broaden its presence and visibility. Oil revenues and the explosion in LNG income in recent years has provided the country with a golden opportunity to develop a bold investment strategy.

Investment

Qatar's investments – in and outside the country, as well as both state investments, through the sovereign wealth fund and other government agencies, and private investments – receive frequent attention. Prominent stakes or acquisitions in recent years have included:

- stakes in Barclays Bank, Credit Suisse, Sainsbury supermarkets, the London Stock Exchange, Volkswagen, Porsche, Hochtief AG, Harrods and the Raffles Hotel in Singapore;
- real estate investments in London in Canary Wharf, the Chelsea Barracks site and the recently completed Shard (Europe's tallest skyscraper); and
- more than €1 billion of investments in France, including a majority stake in the Paris Saint-Germain football team.

Most obviously, these investments reflect a sound economic policy of recycling oil and gas income into future income streams. But they also serve to spread awareness of Qatar's financial strength and, with good management, its legitimacy as an international economic force.

Policy projection

Branding and investment have raised the small country's visibility and ensured future returns. But neither – separately or in combination – assures the country of power and influence. Consequently, the regime has embarked in recent years on the third prong of its overall strategy: policy projection or "soft power" (a better description than power projection, since Qatar has very little actual power beyond its deep purse). Policy projection seems to have been one of Sheikh Hamad's central objectives from the start of his reign. From the earliest years of his reign he demonstrated a propensity for conducting bold, but risky regional policies:

- After replacing his father as emir in 1995 he accused his neighbours of supporting his father's attempts to regain power.

- Al Jazeera quickly established a history of alienating other Gulf and Arab states, although it remained notably reticent when discussing Qatar.
- Sheikh Hamad seemed to take the risky course of thumbing his nose at Saudi Arabia on various issues, culminating in the boycott by Saudi Crown Prince 'Abdullah of a Gulf Co-operation Council (GCC) summit in Doha and to the abandonment of a natural gas pipeline from Qatar to Kuwait that would have crossed Saudi territory.
- Although the long-disputed set of border issues with neighbouring Bahrain was finally settled in 2001 by an International Court of Justice judgment, relations continued to be punctuated by squabbles, and plans for the ambitious Bahrain-Qatar causeway were suspended in 2010.

Sheikh Hamad was able to take these risks because he guaranteed the country's safety by strengthening his alliance with the U.S. and offering it facilities in Qatar, notably the al-Udeid air base, which also houses U.S. Central Command forward headquarters.

These facilities proved to be of enormous help before and during the Iraq invasion of 2003 and ensured that the emirate received prominent mention in the media, as well as the appreciation of the U.S. and its allies.

With the country's protection secured, Sheikh Hamad struck out on an ambitious plan to put his country on the diplomatic map through meetings in Doha of:

- the U.S.-backed Middle East and North African Regional Economic Meeting, with Israeli representation (1997);
- a World Trade Organisation ministerial meeting that gave Qatar extended exposure through the continuing Doha Round of trade negotiations (2001);
- the Organisation of Islamic Conference Summit (2003);
- the Second South Summit of the Group of 77 (2005);
- the UN Climate Change Conference (2012); and
- its election to a two-year term on the UN Security Council (2005).

Qatar also sought to engender goodwill through its provision of \$100 million in aid to the U.S. after Hurricane Katrina in 2006 and its pledge to invest heavily in France's poverty-stricken suburbs in 2012.

In recent years, Sheikh Hamad has increasingly pursued efforts to create a broader, more openly activist foreign policy, firstly through mediation and then through intervention in regional issues:

- Qatar mediated a signed agreement between Sudan and Eritrea in Doha in 1998.
- Qatari representatives engineered a ceasefire in Yemen between the government and Houthi rebels in the north of the country in 2007, and continued their mediation efforts in subsequent years on their own and in conjunction with the GCC.

- Qatar brokered an agreement in Lebanon that created a national government that included participation by Hizbullah in 2008.
- The country arranged for a signed peace agreement between the government of Sudan and the Darfur rebels in Doha in 2010.
- Qatar's relations with Israel (which had included an Israeli presence in Doha) cooled as the emirate deepened its ties with Hamas and the emir made an unprecedented visit to Gaza in 2012.

More serious interventions emerged as a consequence of the Arab Spring in 2011 and 2012.

- Firstly, Qatar switched from diplomacy to active intervention against Qaddafi in Libya, providing combat jets, cruise missiles, military advisers, ground troops and assistance in the marketing of Libyan oil. Even more controversially, the emirate began bankrolling Libyan rebels, in particular Islamist groups, by pushing their role in the Libyan National Transitional Council. This action followed charges that Qatar had promoted Islamists elsewhere, including al-Shabaab in Somalia.
- Qatar's relations with the Assad regime in Syria also underwent a transformation, beginning with Doha's calls for Arab observers to be sent to Syria and followed by the provision of military aid amid similar charges that the emirate was supporting Islamist figures and groups.

As Qatar wades deeper into controversy, the question inevitably arises of whether it has "bitten off more than it can chew". When does policy exuberance outstrip reserve and cautious, sound policymaking?

Reservations about Qatari foreign policy have been raised over two issues. Firstly, it has been alleged that Qatar seeks to support Islamists in civil wars, presumably in line with the country's traditionally conservative nature. Supporting sides in civil wars not only potentially creates dangerous enemies that neutral diplomacy would not, but providing backing to Islamist groups antagonises many Arab governments and individuals, and worries Western governments.

At the same time, many observers note the apparent hypocrisy of Qatari official contentions that it is supporting democratisation in the Middle East while continuing to exercise strong control at home. A pertinent case in point is the recent sentencing of a Qatari poet to a lengthy prison sentence for criticising the emir and his son. Other activists, including homegrown Islamists, have suffered similar fates in the past. This case has again drawn negative attention to the emirate, and observers have noted the fact that Al Jazeera has not mentioned the case, unlike other satellite news channels in the region.

These actions should raise concern about the sagacity of some of Sheikh Hamad's policies. While there seems to be little danger that Qatari objectives will diverge sharply from those of Western powers, quiet and friendly efforts to encourage restraint may be called for. ■

■ THE AUTHOR

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