

# BAB I INTRODUCTION

## A. Background

The State of Qatar is a sovereign country located in the Middle East. This state is occupying the small Qatar peninsula on the northeastern coast of the Arabian Peninsula. The State of Qatar is bordering with The Kingdom of Saudi Arabia to the south, The United Arab Emirates (UAE) to the southeast and the last bordering with Persian Gulf. The Persian Gulf made The State of Qatar is bordering with Bahrain. Qatar is a small country in the Gulf area that prioritizes its livelihoods for the fisheries and pearl sector. However, this has changed because the pearl industry in this country went bankrupt due to the emergence of the pearl industry in Japan. In 1940, Qatar made an economic transformation with the discovery of petroleum in the Dukhan area. It makes Qatar to become a very prosperous country now. After discovering natural oil, this country also has a supply of liquefied natural gas (LNG) as its natural resource. Moreover, Qatar also develops its economy in the field of finance and services.

Qatar is a monarchic country led by the President or *Emir* who comes from the Al-Thani family. In this system, *Emir* or President has complete authority towards all decisions for his nation. However, in taking a decision, the *Emir* will be accompanied by his appointed advisory council to discuss the policies that have been made. The operation of the Qatari government system is based on Islamic Sharia law. Several countries in the Gulf area also share the same system: the monarchy system. However, Qatar's

political system is the umbrella of Qatar's foreign policy. This country has a very dynamic history of foreign policy because it will be determined by the Emir. In the beginning, the reference of Qatar's foreign policy was based on an agreement with the foreign policy of the government of Saudi Arabia. However, the direction of the foreign policy of this country has changed to become a free and independent state. After that, Qatar applied the principle of open foreign policy. This principle becomes Qatar's reference in determining its actions in the international sphere (Roberts D. B., The Four Era of Qatar's Foreign Policy , 2016)

In 1847, the Al Thani family moved from Fuwairat to Doha. Sheikh Mohammad bin Thani is the Fuwairat tribal leader who was also the leader of the Al Thani family's migration to Doha. After the move, Sheikh Mohammad bin Thani expanded his influence throughout Qatar. In an effort to strengthen his external influence, he built an alliance with Emir Faisal bin Turki bin Abdullah Al Saud from the Second Saudi State (Emirate of Nejd) or what is now known as Saudi Arabia. At the beginning of the 20th century, Qatar became a British protectorate and became autonomous in 1971. Since independence in the 19th century, the persons who controlled Qatar for the first time were the Thani family. Under the administration of the Thani Family, Qatar has turned from a poor country into a wealthy country with significant natural resources, such as oil and gas revenues. (Central Intelligence Agency, 2019). Hamad Al Thani is the founding father and also the leader of Qatar. He led Qatar for almost 23 years (1972-1995), during that time Qatar had a close relationship with Saudi Arabia. Under Hamad Al Thani's administration, Qatar's relationship was not only about the economic sector, but also about

security issues. This action was taken by Sheikh Khalifah bin Hamad Al Thani in order to guarantee the security of Qatar under Saudi Arabia at that moment. (Lippman, 1995)

Over the years under the strong influence of Saudi Arabia, Qatar made several efforts to free itself from that domination. In 1988, Sheikh Khalifa bin Hamad Al Thani made an independent foreign policy by establishing diplomatic relations with the Soviet Union, the enemy of Saudi Arabia. In 1992, there was a clash with the Saudis over a border dispute that killed 2 Qatari troops. Two years later, during a brief civil war in Yemen, Qatar and the Saudis supported two parties across. After a bloodless coup in 1995, the new Qatari Emir, Sheikh Hamad bin Khalifa Al Thani, believes Qatar can find security if it changes its position from 'child' to Saudi rival (Central Intelligence Agency, 2019). Sheikh Hamad is a new president who has an ambition to bring Qatar to act more independent. Sheikh Hamad Al Thani believed Qatar should have their stand as independent country and not depend on any other state in the Gulf region including Saudi Arabia. The ambition of Sheikh Hamad Al Thani did happen and finally brought Qatar as independent nation in economy, politics and security (Lippman, 1995)

Under the Sheikh Hamad administration, Qatar as the facto became the first country in the Gulf region that dare to open the trade with Israel. It was happened in 1996 and it was proven by Qatar-Israel trade bureau in Doha and followed by several trade activities (Hudson, 1999). Saudi Arabia and six other Gulf States protested in Qatar in terms of relationship between Qatar and Israel. The Islamic Conference Summit held in Doha rejected by Saudi Arabia. Saudi Arabia's boycott is the criticism of trade ties between

Qatar and Israel. In protesting against the violent violence by Israeli forces against the Palestinians by almost 100 Palestinians Saudi Arabia called this boycott a boycott of Israel. Qatar 's government sent its Foreign Minister in responses to this Summit in Riyadh to try and convince Saudi Arabia. Unfortunately, the Saudi government rejected this initiative. (Rabi, 2009).

In 1996, Qatar established the Al Jazeera news channel. The news channel destroyed taboo things in the Middle East by interviewing dissidents and criticizing the government elite. Since the establishment of Al Jazeera, the neighboring countries in the region are concerned that Qatar will interfere in their domestic affairs. Saudi Arabia was the main news target around the 1990s. In 2002, Saudi Arabia decided to withdraw its ambassador from Qatar because of the controversial comments about Royal Family made by Aljazeera satellite channel. This condition brought bad impact to the diplomatic relations between The Kingdom of Saudi Arabia and The State of Qatar. The result of the controversial comments that made by Aljazeera led to the protest from Saudi regarding the inappropriate news that produced by that media about the Royal Family of Saudi Arabia (Roberts D. B., A Dustup in the Gulf, 2017).

In 2006, Qatar's government plans to build a gas pipeline to Kuwait that passed Saudi territorial waters, and Saudi Arabia disagreed and rejected that plan. (Al Jazeera, 2017). On July 2008, the conflict between Qatar and Saudi Arabia was halted and brought to a close. A final agreement was reached on the border issues following years of dispute in Saudi Arabia – Qatar. Diplomatic visit started with Crown Prince Bin Abdul Aziz visiting Doha as a sign of restoration to

Qatar's diplomatic relations with Saudi Arabia. (Stephens, 2017).

Arab spring became one of the new tensions that arose in the Middle East. This momentum gave birth many rebellions that occurred throughout the Arabian Peninsula. This great event also became a new way for Qatar to prove its existence in the Middle East. This was evidenced on 2013, Qatar supported the first democratically elected Egyptian President, Muhammad Mursi, who came from the Muslim Brotherhood. After the new government came to power, the Saudis and their allies provided assistance and a total of USD 12 million (Stephens, 2017).

In 2014, another source of conflict happened between those Gulf States where Saudi Arabia, UEA, Bahrain and Egypt respond to the critics of Qatar. Qatar is considered not to comply with the Gulf States agreement, whichever may not interfere in the internal affairs of each member country. In this termination, the Gulf States also asked Qatar not to support any group that could threaten their regional security and stability. It was Qatar is suspected as a strong supporter of the Muslim Brotherhood led by President Morsi, who was ousted through a coup in July 2013 by the head Abdel Fattah Al Sisi's military in Egypt. The other tension between Doha and other Gulf States also happened when Doha's accommodating stance towards Iran on UNSC, Gulf states seen it's a threat Gulf region in terms of security.

In the past few years, Qatar has taken a number of strategies against the United Nations Security Council resolution calling on Iran to abandon its nuclear program and to agree bilateral counter-terrorism agreement with Iran.. On that time, Hassan Rouhani was re-elected as the President of Iran and the Emir Qatari congratulated him for the successful

political election. Beside of that, Qatar did some special act to give authorizing payment to Iran and Kata'ib al Hezbollah. All action done by Qatar shows that they are supporting and also Pro-Hezbollah, Muslim Brotherhood, Iran as well different in defining foreign policy and decision are becoming the source of the conflict between Qatar and several Gulf States (Gordon & Yadlin, 2017). It impacted towards that relation of Qatar and other Gulf states that become worse until this time.

On June 2017, conflict of Qatar and Saudi Arabia met its escalations, called as Qatar Crisis. Qatar Crisis is where Saudi Arabia, Egypt, UEA, and Bahrain decided to cut their diplomatic ties with Qatar after knowing the relation between Qatar and Muslim Brotherhood movement (Steinberg, 2017). Moreover, the good relation between Qatar and Iran in economic aspect became another reason for Saudi Arabia. Two kind problems became the main reason for Saudi Arabia and alliance brave enough to cut off their relation with Qatar.

Qatar involvement in Arab Spring conflict became the major reason of Saudi Arabia and alliance to cut the diplomatic relation with Qatar. Beside of that, Qatar always tried to dominate other country and doing intervention to several states in the Gulf region. Those factor used by Saudi Arabia as a tool to influence other Gulf countries in order to against Qatar policy which supports extrimist group and also Iran that have become rivals of Saudi Arabia and other Gulf countries in Middle-East. Saudi Arabia and alliance was followed with several actions to cut off diplomatic relation with Qatar such as withdrawing their Ambassador from Doha, closing the land and marine borders, travel restrictions and airspace ban.

Those kind of action led Qatar to the economic embargo.

The diplomatic crisis which experienced by Qatar produced several impacts which are quite noticeable for the Qatari government itself as in the fields of aviation, food, construction, residents, trade and business, finance, and media bands. The very significant impact from the Qatar Crisis is that almost 80% of Qatar's food needs come from neighboring countries namely the Arabian Gulf, with only 1% produced domestically and imports from outside of Gulf country that usually crossing land borders by Saudi Arabia. Moreover, Qatar gets a big loss, which products which Qatar usually imports from some gulf countries are now embargoed and cannot enter the territory of Qatar. This makes Qatar had to lose around \$804 million of its products loss as a result of the diplomatic crisis as well (Taylor A. , 2017).

In the financial sector, Qatar experienced its effects almost similar where Standard & Poor's downgraded Qatar's debt rating by one notch from AA because Qatar's riyal has fallen to its lowest level in 11 years. The Qatar stock market fell 7.3% to a level the lowest in more than a year and has plummeted 9.7% in the past 3 days (Torchia, 2017). Furthermore, this impact is also felt on commercial airlines owned by Qatar. Because the Anti-Qatar coalition not only banned Qatari airlines from landing but also forbade passing airspace from the four countries. Before the blockade, Qatari airlines relied heavily on Saudi air routes that stretched on the southern side of Qatar. As a result of this, Qatar Airways lost \$ 639 million and rescheduled its flights (Lingria, 2019).

Moreover, this crisis was followed by several demands from Saudi Arabia and alliances such as Qatar had to cut off relations with Iran and the Qatar

should stop the operation of Aljazeera. Saudi Arabia and alliance did not want have any negotiation before Qatar fulfil the demand from them. Regarding of the demands, Qatar tried to stand in its positions and tried to use the strategy which are recover of its domestic politics and make a new alliance in order to create the stabilization economy and region by enhancing their diplomatic relation with Turkey and also Iran to seek a good solution to face the crisis and also the embargo.

The title of this study is “Qatar’s strategy in facing the economic embargo by Saudi Arabia and allies in 2017 until 2019”. This undergraduate thesis is the completion of a task and as the graduation requirement of an undergraduate student in Universitas Muhammadiyah Yogyakarta.

### **B. Research Question**

Based on the background of the problem explained above, the researcher was made as in the following: **“How Qatar’s strategy in facing the economic embargo by Saudi Arabia and allies in 2017 until 2019?”**

### **C. Theoretical Framework**

The issues above can be explained by using a theory and concepts. The concept is an abstraction that represents an object, character of an object, or a certain phenomenon. The function of a concept is to organize ideas, perception, and as a symbol in the form classification and generalization (Maso'ed, 1990). In order to answer the research question above, there are one theory and one concept that will be applied. In addition, the theory and concepts that are applied have relations or connection with the way Qatar to face the embargo economy units. These are theory and concept that are going to be used as a framework for this undergraduate thesis.



## **1. Realism Theory**

Realism is a theoretical theory which dominated the study of International Relations during the Cold War. This theoretical approach, describes how international relations views the country and the world. Realists describe international relations as a struggle of power between states where all countries pursue their national interests and also pessimistic about the prospects of efforts to eradicate conflict and war. Realism dominated the Cold War era, because this idea could provide a simple and convincing explanation of war, alliance, imperialism, obstacles to cooperation and various international phenomena and because of their emphasis. The competition at that time was in accordance with the main nature of competition between the US and the Soviet Union (Jackson & Sorensen, 2013).

According of book that has title Theory of International of Politics, Kenneth Waltz explain about in this world there are two kind of the structure politics such as hierarchy and anarchy. The definition of hierarchy is a system or organization in which people or groups are ranked one above the other according to status or authority (Oxford, n.d). Hierarchy system is a centralized system or a well-structured system. In another word, in this system there two parts such as sub-ordination and super ordination that both of them interconnected as well; there are those who rule and are ordered. Anarchy is the absence of any authority superior to nation-states and capable of arbitrating their conflict. Both of them has differentiation, hierarchy system has institution in order to organize well the system, while the anarchy system is opposite of that (Eckstein, 2019).

This realist approach assumes based on the view of anarchy, self-help, and understanding of rational

actors from the state. Realism is based on a situation that occurs (reality). Thus, realists claim that in order to survive, the state must act as a maxim of strength. According to the realists, a country's foreign policy is greatly influenced by its position in the international system and the distribution of power within it. This is what is often referred to as the 3S concept of statism, survival, self-help (Ishiyama, 2013).

In international relations, the basic structure is anarchic in which countries are sovereign and assume the highest authority in their hands and do not recognize the higher authority over them. Survival or egoism, according to the realist view, is a human tendency to prioritize self-interests/national-interests rather than other people or group. In international relations the context of survival can be interpreted in which a country puts forward the interests of each country rather than the common interests. Power-centrism or self-help in a realist view is another major tendency that humans have to give influence and power and gain resources so that the desire for selfishness or survival in a group or state is still accommodated (Jackson & Sorensen, 2013).

In this case, Qatar which rejects the 13 demands made by Saudi Arabia and the Alliance is a national interest that was initiated by Qatar to show the existence of Qatar in the Middle East region. In these demands Qatar felt a great loss so that Qatar rejected the demands given by Saudi Arabia. This attitude was taken by Qatar as a form of survival of Qatar on the allegations posted by Saudi Arabia and the Alliance. Qatar believes that even though the economic embargo continues, Qatar will not lose its mind to survive in an anarchic system.

In an effort from Qatar's survival in the middle of economic embargo and rejecting 13 demands made by

the Anti-Qatar coalition, Qatar made several new policies to get out of from that situation. One of the policies is in terms of food-security by supporting the local economic sector in building and developing the presence of local products. This was also seen by Qatar government as a new opportunity for cooperation and business (Smith M. , 2019). On the other hand, Qatar also abolished visa requirements for 80 countries. As proven on August 9, 2017, the Ministry of Industry, the Qatar Tourism Authority and Qatar Airways directly announced that Qatar would allow visa-free entry for 80 countries (Qatar Airways , 2017).

## **2. Concept of Alliance**

An alliance is a coalition of states that coordinates their actions for a number of specific purposes. The alliance in general has a goal to increase the relative power of a country. For small countries, alliances can be an important element of power, whereas for large countries, alliance structures can shape the configuration of power in the system. Most alliances are formed to respond to threats. When discussing alliances, the state can balance ally with countries that are in conflict with the main threat or ally with the main threat (Griffiths & Terry, 2002).

A balancing action will be taken if a country will form an alliance with another country to avoid or balance the strength of a stronger country. In other words, a country joins an alliance to protect itself from a state or coalition that is considered strong and has the potential to threaten the security of a country. A country sees an option to balance an opposing country which is considered a threat on the basis of two good reasons. First, a country is risking its survival when it is unable to conquer or balance a large power so that they choose to form an alliance with another more

dominant force. In other words, in this alliance process a country is trying to make good friends and trust with other countries that have high dominance power over a long period of time or the alliance will continue. Second, alliance with a party that is more vulnerable because it can provide opportunities for increased influence for new members. The more vulnerable parties have a greater need for assistance (Waltz S. M., 1985).

In the Qatar crisis as we know the Anti-Qatar Coalition that led by Saudi Arabia is a big alliance created by Saudi Arabia to press the government of Qatar. Qatar Crisis made Qatar isolated from all aspects such as land, waters and also air. As a result of the blockade carried out by the Anti-Qatar coalition, Qatar air ways (Qatar airlines) could not drop passengers at Saudi Arabia Airport. Moreover, this has an impact on Qatar's food security situation because this blockade of some foodstuffs imported by Qatar from the Gulf state cannot arrive in Qatar. The Anti-Qatar coalition gave a proposal to Qatar to review in order to stop the blockade issues.

In response to what has been done by the Anti-Qatar coalition, Qatar is ready to review the proposal that gave by Anti-Qatar Coalition. Finally, Qatar and the Anti-Qatar coalition want to negotiate and resolve the issue of the blockade carried out by Saudi Arabia and the alliance. Resolution efforts have been made, but between Qatar and Anti-Qatar apparently did not find the best solution to this problem. Mediation conducted in Kuwait by Qatar and the Anti-Qatar coalition did not have the solution, 13 demands made by Anti Qatar as requirements to normalization of relations between the two parties were rejected outright by Qatar. The absence of a solution to the

problem of the economic blockade made the Qatar faces a dilemma.

Qatar knew very well based on the geographically blockade made it helpless. This blockade made Qatar isolated and loses power in the region. The absence of the highest authority in the international system causes regional and even international power competition. In this case the competition for power mainly involved members of the GCC and Iran. In order to get out of the dilemma since the collapse of mediation from Kuwait which resulted in 13 demands of the Anti-Qatar Coalition after the June 2017 diplomatic crisis, Qatar has cut relations with three GCC members, ignoring the 13 demands made by the Anti-Qatar Coalition. Qatar chose to establish trade and diplomatic relations with various countries such as Iran and Turkey which are enemies of Saudi Arabia. Until the diplomatic conflict that began in 2017, Qatar really changed course with the release of old allies such as the United Arab Emirates and Bahrain, which until now is an ally of Saudi Arabia. Iran and Turkey are new allies to Qatar in the face of various attacks carried out by the Saudis and their allies. This alliance is also what Qatar uses to get out of the economic embargo carried out by Saudi Arabia and the alliance.

Qatar takes an alliance with Iran and also Turkey. It proven by Qatar through the website of the ministry of foreign affairs which informs that Qatar is ready to restore its good relations with Iran. This was followed up by Qatar, who sent its ambassador back to Tehren after a 20-month vacuum (Aboudi, 2017). Qatar also did the same thing in making its relationship with Turkey effective. This was also proven by Recep Tayip Erdogan, the President of Turkey that attended the third meeting of the Turkey-Qatar Supreme

Strategic Committee that was held in Doha (Gulf Times , 2017).

#### **D. Hypothesis**

Based on the research question and theoretical framework above, Qatar's Strategy in Facing The Economic Embargo by Saudi Arabia and Allies in 2017 - 2019 by:

1. Recovering its domestic politics
2. Conducting an alliance with Turkey and Iran as a form strategy to get out of its domestic politics

#### **E. Methodology of Research**

The research method that the writer uses in this undergraduate thesis is the qualitative method. It is used to explain the problems of the thesis and to verify hypothesis based on the empirical reality. The sources or information are collected in the forms of books. Meanwhile, there are some literature and data from the internet such as journals, e-book, articles, e-news, report and others reliable sources. The level of analysis of this undergraduate thesis is a state; Qatar, where the writer will limit the discussion to the scope of Qatar Strategy to face embargo economy that lead by Saudi Arabia and alliance.

#### **F. Scope of Research**

In writing this research, the writer will limit the scope of research. This aims to simplify the research process and have more concern on identifying Qatar Strategy to face the embargo economy that made by Saudi Arabia, UEA, Bahrain, Yemen, and Egypt in 2017 – 2019. Meanwhile, this research will also include a previous data in order to know the impact of embargo economy.

#### **G. Purpose of Research**

This research aims to highlight and achieve some purposes as followed:

1. To know the effect of embargo economy that lead by Saudi Arabia and alliance towards Qatar
2. To analyze Qatar's Strategy to face and overcome from the embargo economy that led by Saudi Arabia and alliance.

## **H. Outline**

In this research the writer limits the outline of the thesis as describe as follows:

**Chapter I** examines about the reason for title selection, the background of the problem, research question, theoretical framework, hypothesis, the methodology of research, the scope of research, the purpose of research, and writing system.

**Chapter II** examines about the economic, domestic and dynamic policy of Qatar before 1995.

**Chapter III** examines about the economic embargo of Qatar including of chronological of embargo economic, economic embargo happened and impact of economic embargo

**Chapter IV** examines Qatar's Strategy in facing the economic embargo by Saudi Arabia and allies 2017-2019. The explanation will focus on Qatar's Strategy to overcome from embargo economy.

**Chapter IV** contains of conclusion of the researcher.