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**Varying Perspectives:  
The AI-Ula Agreement and the Future of the GCC  
Thomas Bonnie James**

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## Varying Perspectives: The Al-Ula Agreement and the Future of the GCC

Thomas Bonnie James

### *Introduction*

The rift within the Gulf Cooperation Council has caused significant consequences among its member states in the region and globally. When simmering differences surfaced in 2017, borders were closed, contacts severed, and the future of the GCC seemed in doubt. Now, the first steps have been taken to re-establish relations, build back trust and engage in an honest rapprochement. A significant transition was also seen in the policies of the regional states during the transition from the Trump administration to the Biden administration. This insight attempts to identify the future trajectories for the GCC and whether it will continue to function according to the pre-crisis status quo.

### *From Trump to Biden: Varying perspectives on the GCC*

The Presidency of Donald Trump had a significant impact on the politics of the Gulf region. The [blockading nations](#) (Saudi Arabia, United Arab Emirates, Bahrain and Egypt) saw the end of the Obama administration as an occasion to re-alter their relationship with the United States. Former President Trump's approach was to undermine and unravel Obama's administrative legacy, effectively ending the Iran nuclear deal. This new stance, under Trump's leadership, encouraged the blockading nations with their efforts to inhibit and impair Qatar. Furthermore, he

attempted to take [credit](#) for the decision to blockade Qatar, suggesting that it was motivated by his coercing of the Gulf monarchs in the Riyadh Summit on the importance of limiting the financing of terrorism.

However, his stance on Qatar changed towards the end of his presidency. The meeting between the former President and the Qatari leadership in July 2019 exhibited the extent of change in his opinion. The united testimony that was released following the summit, underlined a [strategic relationship between the two countries](#). Towards the end of the Trump administration, attempts at mediation led to the resolution. The development in the crisis concluded in Jared Kushner's regional expedition in December 2020, during which Saudi Arabia and Qatar issued a unified statement to resolve the conflict. The results were [visible](#) at the 41st Gulf Summit, organized in Al-Ula, Saudi Arabia.

For the Trump administration, the culmination of the Gulf crisis was a facet of its foreign policy approach alongside the "[maximum pressure strategy](#)" to pressure Iran into renegotiating the 2015 nuclear treaty. Arguably, only a united GCC can act against Iran's interests. In 2020, Kushner even [attempted](#) to convince Saudi Arabia to make its airspace accessible to the Qatari national carrier, thereby denying Iran approximately USD 100m annual sum from Qatar for utilizing its airspace. The UAE rejected such a proposal. The Trump adminis-

tration saw a resolution of the crisis as a link to its Iran strategy. During the blockade, Iran became less isolated. Qatar formed a [realistic](#) but cautious association with Iran, with which it shares the South Pars/North Dome Gas-Condensate field. However, there remains unanimity among the GCC countries, especially among the blockading nations, seeking to limit Iranian regional interference.

It should also be understood that the Biden administration sees its central foreign policy [mission](#) as restoring the global role of the US after what it argues was the isolationist, dictator-friendly, and occasionally reckless term of former President Trump. Biden is thus pursuing a meticulous equilibrium of engagement and intervention: he returned to the Paris climate accord and he commenced the withdrawal from Afghanistan to restore US alliances.

#### *After the reconciliation: The future of the GCC*

The beginning of the Trump presidency awakened the Gulf crisis. Likewise, the concluding facets of Trump's presidency heralded the end of the 2017 Gulf crisis. The triumph of Joe Biden in the 2020 US presidential elections caused a remarkable change in the stance towards Saudi Arabia, which had arguably experienced resilient relations with the Trump administration; however, a similar stint with the Biden administration was deemed unlikely. Throughout the election process, Biden vowed to [re-evaluate](#) several policies to amend affairs with Saudi Arabia, including arms sales, human rights issues, and US involvement in the Yemen war.

Saudi Arabia was disheartened by the prospect of Biden reformulating the Obama presidency's strategies regarding Iran. Biden maintained a [return](#) to the nuclear treaty throughout the election process, which Trump terminated in 2018. This would conclude the "maximum pressure" policy [towards Iran adopted by Trump and](#) favored by Saudi Arabia. In reconsidering several policies, principally the disagreement with Qatar, Saudi Arabia sought resolution to avoid criticism from the Biden administration. The verdict to terminate the blockade against Qatar, notwithstanding disagreement from allies, was a logical decision by Saudi Arabia. Deteriorating economic conditions also played a crucial role in ending the crisis. In 2020, the GCC countries were [challenged](#) by a dire economic crisis amid the dual impacts of sinking oil prices and the Covid-19 pandemic. The pandemic impacted significant segments of the GCC economies including tourism, production, and commerce. It instigated a significant waning in worldwide oil use, thereby diminishing the revenues of Gulf states, which are heavily dependent on oil income. The UAE was forced to postpone Expo 2020, and Saudi Arabia was also forced to abandon the 2020 Haj pilgrimage, consequently missing out on nearly [two percent of its yearly revenue](#).

The Institute of International Finance found that Saudi Arabia's economy declined by four percent in 2020, and its deficit reached [13 percent](#). The dual shock of falling oil prices and the Covid-19 epidemic led to a slow but sure retreat of the UAE and Saudi Arabia from forceful foreign policies. The subjective impulses of Saudi Arabia's crown prince,

Mohammed bin Salman, decided to conclude the crisis with Qatar. The cataclysmic humanitarian disaster arising from the conflict in Yemen, alongside the ruthless assassination of Saudi journalist Jamal Khashoggi at the Saudi consulate in Istanbul in October 2018 had tainted the global perception of Mohammed bin Salman. Concluding the crisis was an apparent attempt to repair his reputation and an effort to represent himself as a sensible ruler.

The end of the Gulf Crisis is an ideal opportunity to foster new policies that shift away from the zero-sum theory in practice. Moreover, the Gulf states should acknowledge that conflict in regional states promotes the expansion and increase of radicalism, a security hazard for the GCC. Furthermore, the GCC states should give preference to collective security over cooperative security. They can begin by reducing participation in independent military involvements and should reconsider the individual cases of independent action taken in Libya and Yemen and their negative implications. The GCC should consider instruments utilizing cumulative conflict resolution experience acquired from various conflict zones.

The 2017 Gulf crisis concurrently resulted in a deeper Qatar-Iranian diplomatic and economic relationship. It also indicated that a Saudi-led coalition in the region is not as resilient as the US and Saudi Arabia envisaged. Qatar has arguably grown closer to Turkey and Iran, which debatably represents a substitute regional security guarantee, thoroughly allied with Qatar's foreign policy. This distresses the blockading nations as it signals that Qatar will not concede and it possibly denotes the materialization

of a formidable axis made up of Qatar, Turkey, and Iran. Despite not acknowledging the original [13 demands](#), the Saudi-led reconciliation with Qatar suggests that the blockade was a policy failure. The blockade was always unlikely to impede Qatar's active foreign policy.

The UAE has adequate fiscal influence yet lacks the size and strategic depth to develop into a lone regional hegemon. This limitation is one of the reasons why it has developed a close alliance with Saudi Arabia, allowing it to exert authority in regional issues through the geostrategic legitimacy of Saudi Arabia. Although the two states do authentically harmonize on numerous policies, the association also allows the UAE to utilize the kingdom's [considerably more prominent size](#) and [strategic weight](#) to achieve its goals. Saudi Arabia is the known initiator of multiple joint regional endeavors, which allows the UAE to obtain the reimbursements of the endeavors but also evade damaging perceptions or impairment to its reputation.

### *Conclusion*

The rift within the GCC has had significant consequences among the member states in the region, and globally. Based on the pattern and observation of the sequence of rifts, there is no assurance that this will be the final GCC crisis.

The 5 January 2021 summit in Al-Ula, Saudi Arabia, served as the venue for US-backed and Kuwaiti-mediated reconciliation between Qatar and the blockading nations. To what extent this agreement will continue to maintain peace remains an open

question. It is worth questioning and investigating the circumstances of both the blockade and its recent resolution to comprehend the deal's latent effects. For its part, Qatar [retracted](#) lawsuits filed at the World Trade Organization and the International Civil Aviation Organization, having pursued nearly USD 5bn in reparations from the blockading states for preventing Qatar from utilizing their airspace. It may be contended that the Gulf crisis concluded as an effect of contingent factors rather than an honest tackling and resolving of the disputes which initiated the crisis. The transformation of the Trump administration throughout its tenure into a less amenable ally and, to a lesser extent, the limited tractability of the Biden administration, were influential in compelling Saudi Arabia to conclude the confrontation.

There is more than enough explicit evidence indicating that the struggle over political hegemony on the Arabian Peninsula, where multiple states maintain divergent visions for the region, is the core of the Gulf crisis. Endeavors to identify a solution for the problem have resulted in reduced conflict and the identification of a partial solution. However, this solution has only restated the exposition of the matter to permit actors to negotiate and arrive at a temporary truce.

Saudi Arabia's pursuit of regional hegemony and control is about authoritarian endurance and strategic depth in the region. Deviations in the regional and international environment and the Saudi domestic political landscape caused a recalculation of the crisis. The latest stage in the Gulf crisis, following the Al-Ula agreement, represents a restatement of the political predicament instead of an authentic

resolution. The crisis within the GCC also exposed apprehensions about the part played by Oman and Kuwait regarding the aggressive policies of the UAE and Saudi Arabia. These two countries have recently experienced succession following the demise of their venerable leaders, Sultan Qaboos and Sheikh Sabah, in 2020. Together they were appreciated for their roles as mediators, and the loss of their guidance has left both states more susceptible to external pressure.

Therefore, in order to guarantee a prosperous and peaceful future for the GCC, deliberations should be sustained and fortified so that all six states function methodically with one another. It is inherent that all members must accede to the principles of sovereignty.

#### **About the author**

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