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***MODUS OPERANDI* OF QATAR RESISTANCE POLICY AGAINST “ANTI-TERROR QUARTET”**

WHY SANCTIONS HAVE FAILED?

ABSTRACT

An effective resistance policy by Qatar against sanctions imposed by Saudi Arabia, United Arab Emirates, Egypt, Bahrain (called the Anti-terror Quartet or ATQ) surprised many analysts, journalists and politicians as well. The asymmetry in power between parties of this conflict was huge with a clear advantage with the sanctioning states. However, a wide range of actions applied by the Qatari government effectively countered the ATQ effort to portray Qatar as a threat to international peace and security and forced it to change its policy. The objective of the article is to explain the mechanisms of economic sanctions to show the conditions of its effectiveness and mistakes made by the ATQ. The research objective is also to evaluate a defensive policy applied by Qatar in reaction to the sanctions.

Key words: Qatar, Saudi Arabia, United Arab Emirates, sanctions, anti-sanctions policy

Our sovereignty is a red line. We don't accept anybody interfering in our sovereignty.
Sheikh Tamim bin Hamad Al Thani, the emir of Qatar, 2017¹

INTRODUCTION

The diplomatic crisis in the Gulf, which began in June 2017, led to significant changes in the regional order. Qatar – along with Iran – began to be perceived by Saudi Arabia as a potential threat to its security and domination in the region. It is necessary to understand the relations between these three countries to fully evaluate the causes of the crisis.

Despite religious and political differences between Saudi Arabia and Iran during the rule of the Pahlavi dynasty (1929-1979) relations between the two states were peaceful. Mutual Saudi-Iranian relationship was disrupted after the Iranian Revolution 1979 when both countries started to compete for regional hegemony. This rivalry was evident in all proxy wars that both states led in the region. In 1981, to counterbalance the threat from Islamic Iran, six Arab Gulf states – Saudi Arabia, Bahrain, Kuwait, Oman, Qatar and United Arab Emirates – decided to establish the Gulf Cooperation Council (GCC). In spite of this, differences within the GCC persisted regarding the policy towards Iran. Qatar presented a peaceful rhetoric while security issues became the main source of the new crisis between GCC states.

One of the key security issues in international relations is “threat perception”. It is part of the neorealist Stephen Walt’s balance of threat theory and assumes that there are four important criteria used by states to assess the threat posed by another country: aggregate power (comprised of size, population, and economic capabilities), geographic proximity (closer the states greater the threat), offensive power (ability to threaten the sovereignty or territorial integrity of another state), and aggressive intentions.² Within the GCC, in terms of relations with Saudi Arabia particularly, geographic proximity and offensive power affect the perception of threat and distrust by smaller emirates. Aggregate power between Gulf states has disproportional character considering their population, industrial, and military capabilities. Saudi Arabia dominates other Gulf states but taking into consideration political influence or economic power of Qatar or UAE the dominance of Saudi Arabia is not so evident. Until 1992, aggressive intentions of Saudi Arabia against Qatar were perceived as a potential threat and boiled down to harsh rhetoric. The threat became real when as a result of the border clash in 1992, two guards of the Qatar Defence Forces were killed. Since then mutual relations have refracted, diplomatic relations having been severed twice – in 2000 and 2005.

¹ Quoted in “60 minutes: inside *al Jazeera*”, CBS, broadcast on 30 October 2017.

² S.M. Walt, “Alliance Formation and the Balance of World Power”, *International Security*, vol. 9, no. 4 (1985), pp. 3-43.

As a result of the perceived security risk, the following configurations have appeared in the region:

1. Iran as a source of threat – view shared by GCC members in 1981 but few years later this attitude has changed to a more conciliatory one in relation to Qatar, Oman, and Kuwait. Looking for balance between both regional powers – Saudi Arabia and Iran – Qatar, Oman, and Kuwait signed mutual economic or security agreements with Iran. They also refused to take sides in the Saudi-Iran rivalry. The anti-Iran coalition is currently represented by Saudi Arabia, UAE, and Bahrain.
2. Qatar as a source of threat – option represented by Saudi Arabia, UAE, Egypt, and Bahrain. This view is due to the growing importance of Qatar in the MENA region especially in areas that were previously dominated by Dubai or Abu Dhabi (finance, commerce, logistics, tourism, education).
3. Saudi Arabia as a source of threat – some smaller emirates have shown distrust of Riyadh's intentions. Such distrust was observed when Saudi Arabia called for closer relations and the transformation of the GCC into the Union in 2011. However, this has increased the concerns of smaller Emirates who are fearful of themselves getting embroiled in the Saudi race for power in the region.³

Within this configuration, a special role was played by Qatari-Iranian relations that seem to have improved in past years. Due to Qatar's share in the world's largest gas field – North Dome/South Pars – with Iran, it started to consider the relationship with this country as essential to its economic and security interests. Such a perception of Iran was not accepted by Saudi Arabia which accused Qatar for allegedly establishing back-channel communications with Iran. Iranian-Qatari reconciliation was one of the main accusations against the country from the anti-Iranian coalition and the reason for imposing the blockade. For Saudis, Qatar's policy toward Iran was a betrayal of the GCC's joint anti-Iranian policy while for many Qatari citizens the blockade that was imposed by the ATQ was an example of disloyalty and aggression of allies and will determine mutual relations within the GCC in the future. Differing and subjective risk perceptions played a crucial and conflicting role in mutual relations within the GCC states.

RESEARCH METHODOLOGY

The direct reason for the imposition of the blockade on Qatar was the accusation of Qatar's emir regarding an unacceptable comment published by the Qatar News Agency (QNA) on 23 May 2017. Although there was a quick official denial citing a cyber attack on the QNA, Qatar was isolated by its neighbors – Saudi Arabia, UAE, Egypt, and Bahrain (ATQ) cut diplomatic ties and all transport links to the emirate.⁴ Qatar was isolated

³ M. Kamrava, "The Arab Spring and the Saudi-led Counterrevolution", *Orbis*, vol. 56, no. 1 (2011), p. 100.

⁴ Apart from the four, in the following days Maldives, Chad, Comoros, Mauritania, Senegal, and Yemen joined the blockade.

not only diplomatically but more importantly logistically as well.⁵ Despite a huge disproportion between the various sides of the conflict – an asymmetrical conflict in many ways – in favour of the ATQ in terms of territory, population, or economic and political impact two years after the imposition of the sanctions, the ATQ goals were not achieved while the blockade strengthened Qatar both internally and internationally.

The research objectives of the article are as follows:

- to explain the mechanisms of economic sanctions in order to delineate the conditions for its effectiveness and the mistakes made by the ATQ.
- to evaluate the defensive policy applied by Qatar in reaction to the sanctions. The analysis includes an evaluation of the tools used by Qatar in the face of external shock – crisis management, soft power, and public diplomacy.

In order to pursue the said research objectives, the following questions were posed:

1) Why the sanctions imposed on Qatar have failed and proved ineffective? 2) How did Qatar adjust its politics to the new international conditions? 3) What mistakes were made by the ATQ?

The main hypothesis of this research is that contemporary states operate in an interlinked network environment. These state actors can create new connections with other countries, organisations or groups. When the sanctioned state (target) is losing its trade partners it can easily replace them with others. As a result, sanctions are counter-productive and the international flexibility of a sanctioned country to enter into trade relations with other countries serves as its effective defensive mechanism.

The main hypothesis is supported by the following four sub-hypotheses:

1. Two years after the introduction of sanctions the ATQ countries have not achieved their objective – they could not force Qatar to change its foreign policy. It is primarily due to the effective adjustment of Qatar in the form of a counter sanctions policy based on the broadening of its international partnerships. This contingency plan serves as an example of a crisis management scenario that provides Qatar adequate tools and allows the state to react effectively to external shock.
2. The failure of the sanctions against Qatar was caused by the inability to build a broad anti-Qatari coalition and by leaving Qatar with accumulated capital, sources of income (from LNG), and full access to supply by sea (Hamad Port). All three factors have enabled Qatar to neutralize any pressure resulting from sanctions.
3. Despite numerous efforts, the ATQ was unable to obtain sufficient support from major international players. The conflict turned into a diplomatic competition between the two sides. Over time, Qatar's diplomacy proved to be more effective in winning international support. Further, the ATQ's attempt to destabilize Qatar's political life and the power of the emir failed. The Qatari society proved to be resistant to destabilization. This was the result of a non-antagonistic socio-economic policy adopted by authorities in Doha and wide public participation in both the process and the benefits of growth.

⁵ A. Krieg, "Introduction", in A. Krieg (ed.), *Divided Gulf. The Anatomy of a Crisis*, Singapore 2019, pp. 4-5.

4. The only type of sanction that Qatar has failed to neutralize are social sanctions. However, this type of sanctions impacted the authorities in Doha to a much lesser extent, affecting mainly the residents. The imposition of social restrictions made it easier for Qatar to present itself as a victim of sanctions and to regain international support.

Qatar belongs to the category of so-called small states. This is essential to understand its internal and external policy because its “smallness” determines the way Qatar ensures its security, sovereignty, and state interests. But “small” with regard to Qatar is a relative term, as it might be small in terms of military or population but as far as economic and military alliances are concerned, it is stronger than several larger (in terms of territory or population) states.

The basic value of this research outcome document lies in breaking down various aspects of Qatar’s blockade on very specific diplomatic, social, and economic terms, along with the country’s response pattern in each case. This allows us to show the complexity of the sanctions and the scale of efforts made by Qatar to neutralize their negative effects. The adopted analysis allows an assessment of the scale of challenges for Qatar in the face of sanctions and the key role that institutions play in shaping defence policy.

The assessment of the effectiveness of sanctions will be based on the theoretical framework developed by the most cited authors in this field – Gary Clyde Hufbauer, Jeffrey Schott, Kimberly Ann Eliot, David Lektazian, Christopher Sprecher, Akbar Torbat, Jaleh Dashti-Gibson, and Daniel Drezner. This assessment will be presented in the section – “Why have the sanctions failed?” But we will first provide a brief background of the crisis, description of the sanctions with timeline, and the adjustment policy of Qatar.

QATAR’S STRAINED RELATIONS WITH NEIGHBORS

Saudi Arabia and Qatar maintain cordial ties as long as Qatar remains subservient to Saudi Arabia in matters relating to foreign policy. Recognition of Qatar, which has been present in the subregion since the 16th century by the United Kingdom, followed the signing of the maritime agreement in 1868. Before 1868, the influence of three families – the House of Saud, House of Al-Khalifa, and House of al-Thani – were often involved in a clash. In the following decades, despite the conquest of power in Qatar by the al-Thani family, the Saudis maintained their key role in the emirate. An example of their position may be Saudi mediation in the Qatar- Bahrain disputes or participation in internal conflicts in Qatar until 1995. Ultimately, the Saudi influence was reduced when Hamad bin Khalifa Al-Thani took power in 1995.

In Saudi Arabia’s policy towards Qatar, it was characteristic to treat Bedouin territories as belonging to Saudi Arabia. Authorities in Riyadh were ready to accept al-Thani’s sovereign power only over the cities. To achieve their goals, the Saudis played individual tribes inhabiting border regions. Such a position allowed Saudi Arabia to make claims

to the territories of Qatar, constituting a source of conflict and led to a kind of “cold war” between the two countries. Despite signing the demarcation agreement by both countries in 1999, border tensions between Saudi Arabia and Qatar remained in the subsequent years.⁶

In 1996 and 2005, Saudi Arabia attempted to overthrow the Emir of Qatar, Hamad al-Thani, accusing the emirate of tolerating criticism of Saudi Arabia in the Qatari media. Saudis began to perceive Qatar as a rival in the regional arena looking upon with envy at the emirate’s achievements in terms of negotiation or establishing the US Central Command (CENTCOM) air base in al-Udeid.⁷ Increasing uncertainty over Saudi Arabia’s intentions resulting from the growing conflict between the two countries encouraged Qatar to engage in active diplomacy towards expanding the network for many international political players.⁸

The greater the regional aspirations of Qatar, the greater the fear for Saudi Arabia. These aspirations were interlinked with gas extraction (1997) from the undersea reservoir North Dome Field – which is part of the bigger gas field shared with Iran – and the consequences this extraction brought. Within just two years, Qatar was able to initiate export of gas and became the leading gas supplier in the world. LNG exported until then through pipelines located on Saudi territory began to be sent through maritime routes. Qatar’s decision to change export routes meant that the emirate became less dependent on Saudi Arabia. This caused irritation among the Saudis whose ambition was to maintain control over Qatar and treat the emirate as a vassal state.⁹

As Jim Krane stated *Qatar used to be a kind of Saudi vassal state but it used the autonomy that its gas wealth created to carve out an independent role for itself [...]* Above all, gas prompted Qatar to promote a regional policy of engagement with Shiite Iran to secure the source of its wealth.¹⁰

Similarly, Qatar-UAE relations have evolved over time. Over the past 20 years, they have changed from confrontational (UAE supported the overthrown King Khalifa) to the right regional causes (UAE and Qatar have come close due to the threat of Saudi domination). One of the manifestations of the joint anti-Saudi policy of the Emirates and Qatar was the Dolphin Gas Project initiative, conceived in 1999 to produce, process, and transport natural gas from Qatar to UAE and Oman.¹¹ The effect of this initiative is that the Dolphin Gas project is the main supplier of gas to the UAE and fulfils appr. 30 per cent of Emirati demand for gas.

⁶ A. Fromherz, *Qatar: Rise to Power and Influence*, London–New York 2017.

⁷ Ibid.

⁸ T. Cherkaoui, “Qatar’s Public Diplomacy, International Broadcasting and the Gulf Crisis”, *Rising Power Quarterly*, vol. 3, no. 3 (2018), p. 130.

⁹ D. Roberts, “Examining Qatari-Saudi Relations”, *RUSI Newsbrief*, vol. 32, no. 2 (2012).

¹⁰ M. Champion, “Saudi Dispute With Qatar Has 22-Year History Rooted in Gas”, at <<https://www.bloomberg.com/news/articles/2017-06-06/saudi-arabia-s-feud-with-qatar-has-22-year-history-rooted-in-gas>>, 17 July 2018.

¹¹ A. Fromherz, *Qatar...*

Qatar Airways was established – offering both passenger and cargo services – and a large airline hub, the *Hamad International Airport* was built in Doha. The dynamic development of the air transport sector led to competition with the market leader – the United Arab Emirates. The competition took place between *Qatar Airways* and regional providers of passenger flights – *Emirates* and *Etihad*, as well as with cargo services providers (*Emirates Sky Cargo*); Doha as a hub competed with Dubai or Abu Dhabi. In 2010, emir Tamim bin Hamad Al-Thani decided to initiate a large-scale investment – a new sea harbor – *Hamad Port*. The new project was a tough challenge for the Gulf market leader – *Jebel Ali Port*, located in Dubai.

The beginning of the second decade of the 21st century brought further deterioration of mutual relations between Qatar and UAE. The reason for the crisis was a different attitude towards the Arab Spring and political Islam. While the UAE maintained distance from groups like the Muslim Brotherhood, Qatar decided to support them.¹²

Qatar-Bahrain relations from the very beginning were characterized by numerous tensions of a territorial nature concerning the Gulf islands and reefs.¹³ In recent years, the Bahraini side accused the authorities in Qatar of supporting the Shia opposition in Bahrain and their anti-government protests during the Arab Spring. Authorities in Manama have recognized that Qatar's policy is destabilizing their state.

Egypt and its president General al-Sisi were against Qatar because of the support the emirate gave the main opponent and rival Muhammad Morsi and the Muslim Brotherhood. Qatar was also accused, as in the case of Bahrain, of meddling during Arab Spring in the internal affairs of Egypt.¹⁴

THE EFFECTIVENESS OF SANCTIONS IMPOSED ON QATAR

For an analysis of the effectiveness of sanctions imposed on Qatar, multi-factorial reasoning is conducted. The sanctions are grouped into three categories: political, economic, and social restrictions. To measure the effectiveness of sanctions and Qatar's resistance policy, we adopted time horizons. The temporal breakdown comes from the stages of implementation of the anti-sanction policy by Qatar and the neutralization of its negative effects.

- 0-2 months following the imposition of sanctions – describing the consequences of the external shock and exposure to negative outcomes of its impact; the economy during this period demonstrated very low elasticity, both in terms of demand (blocking food or pharmaceuticals supplies) and supply (e.g. closing markets to Qatar Airways).

¹² D. Roberts, "Qatar and the UAE. Exploring Divergent Responses to the Arab Spring", *Middle East Journal*, vol. 71, no. 4 (2017), p. 544.

¹³ K. Wiegand, "Bahrain, Qatar, and the Hawar Islands. Resolution of a Gulf Territorial Dispute", *Middle East Journal*, vol. 66, no. 1 (2012), pp. 79-96.

¹⁴ K.C. Ulrichsen, "Qatar and the Arab Spring. Policy Drivers and Regional Implications", Carnegie Endowment for International Peace, 2014, p. 4.

- 2-5 months since sanctions were imposed, during which adaptation processes were implemented, and as a result, the dependency of the economy on sanctioning countries begins to decrease.
- Over 5 months, when the preliminary outcomes of implementing the recovery policy significantly reduced the dependency on the sanctioning countries.

It should be mentioned that due to the short time horizon between imposing the sanctions (in June 2017) and introducing a broad spectrum of restrictions, it was difficult to gather specific statistical data from long enough intervals for the research and to use them for modelling and evaluating the consequences of sanctions. In addition, some sanctions were applied in non-quantified spheres, like social and political sanctions. For these reasons, the analysis is qualitative and descriptive in character than quantitative. For the evaluation procedures, we use the available statistical data, reports provided by international organisations and institutions, banks, think-tanks or academic centres. Also, source materials and resources from online portals (BBC News, UN, Financial Times, Al-Jazeera, INSS, Shipping Herald, The Economist, Reuters, Gulf Times, Global Finance, Marine Link, The Business Times, Qatar Airways, Forbes, Al-Arabiya) are analysed. The table below shows the types of sanctions imposed by AQT and their effectiveness over time. Further, we present a description of the sanctions schedule and prove that the length of the sanctioning episode is directly proportional to its strength. The longer the duration of sanctions, the weaker their consequences.¹⁵

Table 1. The types of the sanctions imposed and their effectiveness over time

Type of sanctions	Impact period/effectiveness:		
	1-2 months	2-5 months	over 5 months
Political sanctions			
Diplomatic sanctions	strong	strong	strong
Diminishing international position of Qatar/weakening of the state brand	strong	moderate	weak
Diminishing Qatar's position as a GCC member state	strong	moderate	moderate
Reducing emir Tamim al-Thani's ruling power	none	none	none (significant strengthening of emir's position)
Imposing the revision of international politics	none	none	none (no revision in desired direction)

¹⁵ S.M. Bolks, D. al-Sowayel, "How Long do Economic Sanctions Last? Examining the Sanctioning Process through Duration", *Political Research Quarterly*, vol. 53, no. 2 (2000), pp. 241-265.

Type of sanctions	Impact period/effectiveness:		
	1-2 months	2-5 months	over 5 months
Economic sanctions			
Blocking exports of food and pharmaceuticals	strong	moderate	weak
Destabilising rate of exchange	strong	strong	weak
Freezing assets	strong	moderate	moderate
Currency reserves	strong	strong	weak
Destabilising state budget	strong	moderate	weak
Economic growth slowdown	moderate	weak	weak
Inflation	moderate	moderate	moderate
Reducing exports from Qatar	none	none	none (increase in exports)
Reducing imports	strong	weak	None
Destabilising stock exchange	strong	moderate	moderate
Destabilising financial markets	strong	moderate	weak
Destabilising real estate market	moderate	weak	weak
Blockade on the expansion of Qatar Airways	strong	strong	relatively strong
Social sanctions			
Border and transborder traffic restrictions for foreigners among GCC member states	strong	moderate	moderate
Entrance restrictions (to citizens of GCC member states)	strong	strong	strong
Blocking scientific and didactic cooperation	strong	Strong	strong
Blocking access to reciprocal healthcare services	strong	Strong	strong
Restrictions for mixed families / ban on family reunions	strong	strong	strong
No access to property / freezing assets	strong	strong	strong
Restrictions on pilgrimages	strong	moderate	moderate

Source: own elaboration.

The first days of the crisis were a shock to residents and authorities in Qatar. However, in the following days, the authorities in Doha intervened to minimize political and economic risks that appeared as a result of sanctions. It should be emphasized that

although remedial measures have been taken in the field of economics and politics, the negative social consequences have not been neutralized. In attempting to assess the effectiveness of sanctions, it should be noted that economic sanctions proved to be the least effective partially because Qatar quickly bypassed and neutralized this type of sanctions. As a result, after five months of sanctions, the Qatari economy (with the exception of the airlines) returned to the status quo ante. New supply channels and new suppliers appeared – mainly from Iran and Turkey, replacing old, traditional suppliers from Saudi Arabia and UAE. Qatar managed to maintain its economic security and freed itself from supply dependence on ATQ countries.

Political sanctions were also characterized by relatively low effectiveness. To neutralize them, Qatar used very effective diplomacy. As a result, the emirate maintained the international position of the country and defended the state's brand. It was possible because its reaction to the sanctions was gentle and reasonable. As a result, the impact of political sanctions changed from "strong" to "weak". Diplomatic relations between the ATQ states and Qatar have been strained since the beginning of the crisis, which restricts all cooperation initiatives and access to airports, seaports, and airspace.

Social sanctions imposed by the ATQ have proved to be the most effective. Their negative impact on the social sphere has not diminished over time, and the authorities in Qatar have not been able to find effective tools to neutralize its impact. Social relations are based on the will towards mutual cooperation. Therefore, the neutralization of this type of sanctions would require normalization of relations between both sides of the conflict.

Despite the official assurances provided by both sides about seeming successes in coping with the crisis, it is clear that this is a negative sum game. The losses are not only incurred by particular countries involved in the conflict, but also the GCC itself. They include making the Gulf subregion less attractive for investments, causing the GCC union to suffer, cross-border traffic taking a hit, impeding the free movement of goods and people, and in effect a steep drop in tourism income. It should be mentioned that losses are particularly felt by the emirate of Dubai in connection with the retention of Qatari investments in the real estate market. In 2016, Qatari investments in properties in Dubai alone touched \$500 million.¹⁶

As emir of Qatar, Sheikh Tamim expressed in November 2018, *it is very regrettable that the continuation of the Gulf crisis exposed the failure of the Gulf Cooperation Council (GCC) ... which has weakened its ability to face challenges and threats and marginalized its role in the region*¹⁷.

Paradoxically, the prolonged crisis will not only affect the stability and position of the GCC and their respective members but may lead to a change in the balance of power in the Gulf, in favour of Shiite Iran.

¹⁶ H. Hasan, "The Qatar Guide to Surviving an Economic Boycott", *The Middle East Monitor*, 2018, at <<https://www.middleeastmonitor.com/20180323-the-qatar-guide-to-surviving-an-economic-boycott/>>, 2 May 2018.

¹⁷ E. Knecht, "Qatar's Ruler Hopes Gulf Crisis Will End for Sake of Region", Reuters 2018, at <<https://www.reuters.com/article/us-gulf-qatar/qatars-ruler-hopes-gulf-crisis-will-end-for-sake-of-region-idUSKCN1NB0LD>>, 2 April 2019.

QATAR'S ADJUSTMENT POLICY

The case of Qatar's reaction to sanctions proves that the emirate is highly flexible and capable of building networks, demonstrating in this field high elasticity, manifesting itself as having the ability to establish substitute links, such as alternative channels of supply and new directions of cooperation. In order to demonstrate such elasticity, Qatar exhibited a sufficient level of institutional development.

Sanctions led to the replacement of existing economic ties with the GCC member countries by enlarging relations with Iran, Turkey, and Oman (ITO).¹⁸ Export and re-export between Qatar and ITO has increased by appr. \$0.5 million, \$210 million, \$261 million, respectively. Export and re-export from Qatar to Saudi Arabia has decreased to zero. Trade exchange with UAE was maintained only in relation to the export of gas.¹⁹

Sanctions have become a reason to start diversification processes²⁰, both in terms of expanding their own production as well as creating new supply channels and concluding new trade agreements with other countries of the region and the world. For the authorities in Doha, economic security became the key element of the policy. The economic factor was also used to ensure national security. An example of such steps could be the economic expansion of Qatar in the US and the EU (mainly Germany). After the introduction of sanctions, Qatar made massive purchases in the US market, for instance in Boeing. The emirate also tried to boost overseas investment.²¹

The table below indicates the main actions taken by Qatar to reduce the negative impact of sanctions. In the table, we referred to two types of sanctions – political and economic – because social sanctions remain the only ones that cannot be neutralized without restoring mutual relations.

In response to the political risk generated by sanctions, authorities in Doha carried out a positive PR campaign that cost the state \$5 million.²² The campaign included activities to promote the Qatari point of view of the crisis such as: the purchasing of advertising on CNN channels, establishing the Gulf International Forum as well as signing an agreement with the USA on cooperation in combating terrorism.

¹⁸ K.C. Ulrichsen, "How Qatar Weathered the Gulf Crisis", *Foreign Affairs*, 11 June 2018, at <<https://www.foreignaffairs.com/articles/middle-east/2018-06-11/how-qatar-weathered-gulf-crisis>>, 13 July 2018.

¹⁹ Ministry of Development Planning and Statistics, at <<https://www.mdps.gov.qa/en/statistics1/pages/topicslisting.aspx?parent=Economic&child=ForeignTrade>>, 2 August 2018.

²⁰ N. Feldman, Y. Guzansky, "The Crisis in the Gulf: A Case Study of the Effectiveness of Sanctions as a Tool for Conducting Policy", *INSS Insight*, no. 966 (2017), p. 2, at <<https://www.inss.org.il/publication/crisis-gulf-case-study-effectiveness-sanctions-tool-conducting-policy>>, 8 June 2018.

²¹ M. Smith, "How is Qatar Coping with Its Economic Embargo?", BBC News, 10 January 2019, at <<https://www.bbc.com/news/business-46795696>>, 22 February 2019.

²² "Qatar 'Spends \$5 Million on PR Campaigns' to Polish Country's Image", 16 October 2017, at <<https://www.english.alarabiya.net/en/features/2017/10/16/Qatar-boosts-PR-spending-to-polish-country-s-image-amid-Gulf-boycott.html>>, 14 May 2018.

Table 2. The purpose of ATQ sanctions and Qatar's defence

Purpose of sanctions	Qatar's reaction
Political sanctions	
Diminishing Qatar's international position	Diplomatic campaign, explaining Qatar's perspective and position. ²³
Weakening of the state brand	Emir Tamim's speech to the UN General Assembly explaining the position of Qatar. Application for arbitration procedure before the Office of the OHCHR, regarding illegitimacy of sanctions and breach of human rights by the ATQ, resulting from the sanctions imposed. ²⁴ Pledging of \$500 million to various agencies of the United Nations, including \$28 million annual package for the UN Development Programme, \$5 million a year for the UN Children's Fund, and \$15 million a year for the UN Security Council's counter-terrorism committee. ²⁵
Diminishing Qatar's position as a GCC member state	Maintaining friendly relations with Oman and Kuwait.
Undermining emir Tamim al-Thani's position of power	Mass movement of solidarity with emir ²⁶ ; development/ consolidation of national identity, general support offered to emir by expats. ²⁷
Economic sanctions	
Destabilising rate of exchange	Sterilising the shock by defending national currency; strengthening the riyal as a prerequisite to reducing inflation. ²⁸
Attempt towards rapid withdrawal of foreign funds from Qatari banks	Providing liquidity by the Central Bank by eroding 30 per cent of its international reserves. ²⁹

²³ Ibid.

²⁴ Comment by UN High Commissioner for Human Rights Zeid Ra'ad Al Hussein on impact on human rights, Geneva, Office of the High Commissioner, 14 July 2017, at <<https://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=21739&LangID=E>>, 13 September 2018.

²⁵ Ch. Giles, S. Kerr, "Qatar Ready to Increase Its International Investments", Financial Times, 16 December 2018, at <<https://www.ft.com/content/4e1f2ad0-0147-11e9-99df-6183d3002ee1>>, 20 January 2019.

²⁶ "Tamim the Glorious – An Emblem of Hope in Turbulent Times", Qatar-America Institute, 14 July 2017, at <<https://qataramerica.org/tamim-glorious-emblem-hope-turbulent-times>>, 7 April 2018.

²⁷ S. Kerr, "Qatar Attempts to Build Its Way out of a Blockade", Financial Times, 16 May 2018, at <<https://www.ft.com/content/a39cd232-5517-11e8-b24e-cad6aa67e23e>>, 18 November 2018.

²⁸ "Qatari Riyal: Why the Financial War has Failed", Al Jazeera, 21 March 2018, at <<https://www.al-jazeera.com/news/2017/11/financial-war-qatari-riyal-failed-171127065735506.html>>, 21 August 2018.

²⁹ N. Feldman, Y. Guzansky, "The Crisis in the Gulf..."

Purpose of sanctions	Qatar's reaction
Closing of the Saudi Arabia and UAE markets for Qatari business	Shifting the regional hub from Dubai to Oman by Qatar Navigation ³⁰ ; withdrawal of investments from UAE; closing down Qatari companies in the UAE. ³¹
Attack on currency reserves	Replacing capital exports with capital imports to support domestic investments; increasing of natural gas extraction and exports of hydrocarbons to neutralize leaking currency reserves. ³²
Restrict economic expansion	Massive investments in non-oil sector, like infrastructure, education, health, transportation, construction ³³ ; encouraging growth based on gas exports, domestic investments, and FDI. ^{34 35}
Destabilising the state budget	Leveraging payment to the companies, carrying out investments in the country; Rationalising and cutting budget expenditure for public sector; ³⁶ Supervising or freezing selected infrastructural investments; ³⁷ Cancelling the moratorium on the increase of gas extraction from North Field; ³⁸ Merger of RasGas and QatarGas – reducing costs by \$500 million and increasing competitiveness. ³⁹

³⁰ “Qatar Navigation Shifting Regional Hub to Oman Amid Diplomatic Rift”, Shipping Herald, 9 August 2017, at <<http://www.shippingherald.com/qatar-navigation-shifting-regional-hub-to-oman-amid-diplomatic-rift>>, 10 April 2018.

³¹ “The Boycott of Qatar Is Hurting Its Enforcers”, The Economist, 19 October 2017, at <<https://www.economist.com/middle-east-and-africa/2017/10/19/the-boycott-of-qatar-is-hurting-its-enforcers>>, 22 May 2018.

³² H. al Sayegh, “Qatar to Boost Gas Output in Sign of Strength amid Gulf Rift”, Reuters, 26 September 2018, at <<https://www.reuters.com/article/us-qatar-energy/qatar-to-boost-gas-output-in-sign-of-strength-amid-gulf-rift-idUSKCN1M62H8>>, 12 December 2018.

³³ A. Cornwell, S. Westall, “Qatar Sovereign Fund Says Most of Future U.S. Investments in Infrastructure”, Reuters, 13 September 2017, at <<https://www.reuters.com/article/us-gulf-qatar-qia/qatar-sovereign-fund-says-most-of-future-u-s-investments-in-infrastructure-idUSKCN1B01BL>>, 2 October 2018.

³⁴ “Qatar 2019 National Budget to Forecast Surplus: Finance Minister”, Al Jazeera, 9 December 2018, <<https://www.aljazeera.com/news/2018/12/qatar-2019-national-budget-forecast-surplus-finance-minister-181209102549424.html>>, 17 February 2019.

³⁵ G. Platt, “Qatar. Plans to Grow Despite Pressure”, Global Finance, 1 December 2018, at <<https://www.gfmag.com/magazine/december-2018/qatar-plans-grow-despite-pressure>>, 1 February 2019.

³⁶ “Qatar 2017 Budget Looks to Cut Government Deficit: QNB”, Gulf Times, 1 January 2017, at <<https://www.gulf-times.com/story/526578/Qatar-2017-budget-looks-to-cut-government-deficit>>, 11 May 2018.

³⁷ D. Barbuscia, T. Finn, “Doha Mall’s \$1 Billion-plus Loan Refinancing Frozen amid Qatar Boycott: Sources”, Reuters, 16 July 2017, at <<https://www.reuters.com/article/us-doha-mall-refinancing-idUSKBN1A10HM>>, 29 July 2018.

³⁸ H. Al Sayegh, “Qatar to Boost Gas Output in Sign of Strength amid Gulf Rift”, Reuters, 26 September 2018, at <<https://www.reuters.com/article/us-qatar-energy/qatar-to-boost-gas-output-in-sign-of-strength-amid-gulf-rift-idUSKCN1M62H8>>, 19 October 2018.

³⁹ A. Lakshmi, “Qatargas-RasGas Merger”, MarineLink, 4 January 2018, at <<https://www.marinelink.com/news/qatargas-rasgas-merger432655>>, 14 May 2018.

Purpose of sanctions	Qatar's reaction
Destabilising financial markets	Intervention of the central bank on financial markets; injection of capital into local commercial banks. ⁴⁰
Exports	A significant increase in exports; shift in export destinations; maintaining existing gas contracts with UAE, Saudi Arabia, Bahrain, and Egypt. ⁴¹
Destabilising the real estate market	Liberalisation of visa regulations for new countries ⁴² ; facilitating the process of real estate acquisition by foreigners ⁴³ ; increasing the number of building permits issued. ⁴⁴
Blocking of the expansion of Qatar Airways	Opening new operational destinations; receiving access for flight passages over Iran; chartering flights of QA fleet on the international aviation market; developing cooperation with Oman – the extension of a QA hub in Muscat ⁴⁵ ; transferring the citizens of Qatar expelled from Saudi Arabia via Oman; introducing promotion policy.

Source: own elaboration on the basis of media reports.

Qatar accused the ATQ of breaking international law by imposing illegitimate sanctions. The emirate won the arbitration procedure before the Office of the United Nations High Commissioner for Human Rights (OHCHR). In the outcome, the OHCHR expressed the opinion that sanctions are *breaking up families and disrupting young people's education*⁴⁶.

In order to mitigate the anti-emir campaign led by the ATQ, Qatar organized a mass 'support and solidarity with emir' movement. Many Qataris expressed satisfaction that life after the sanctions did not change much and the state defended itself

⁴⁰ "Banks Assess Loan Exposure as Qatar Crisis Deepens", The Business Times, 29 October 2017, at <<https://www.businesstimes.com.sg/banking-finance/banks-assess-loan-exposure-as-qatar-crisis-deepens>>, 22 July 2018.

⁴¹ S. Kerr, "Qatar Attempts to Build..."

⁴² "Qatar Waives Entry Visa Requirements for Citizens of 80 Countries", Qatar Airways, 8 August 2017, at <<https://www.qatarairways.com/en/press-releases/2017/Aug/qatar-waives-entry-visa-requirements-for--citizens-of-80-countri.html#>>, 3 June 2018.

⁴³ E. Knecht, M. Heinrich, "Qatar to Offer New Areas of Real Estate for Foreign Ownership", Reuters, 13 March 2019, at <<https://www.reuters.com/article/qatar-realestate/qatar-to-offer-new-areas-of-real-estate-for-foreign-ownership-idUSL8N2103IR>>, 8 July 2019.

⁴⁴ "Qatar Number of Building Permits Issued", CEIC, at <<https://www.ceicdata.com/en/qatar/number-of-building-permits-by-type-and-region/number-of-building-permits-issued>>, 18 May 2018.

⁴⁵ D. Dudley, "As Qatar Prepares to Mark a Year Under the Saudi Embargo, It Looks Like the Winner in the Dispute", Forbes, 17 May 2018, at <<https://www.forbes.com/sites/dominicdudley/2018/05/17/as-qatar-prepares-to-mark-a-year-under-the-saudi-embargo-it-looks-like-the-winner-in-the-dispute/#16fc99ca7720>>, 2 June 2018.

⁴⁶ "Qatar: UN Report Proof Saudi-led Blockade Illegal", Al Jazeera, 8 June 2018, at <<https://www.aljazeera.com/news/2018/01/qatar-report-proof-saudi-led-blockade-illegal-180108152547009.html>>, 12 August 2018.

against the crisis in a satisfactory way. They considered it a success for Qatar's foreign policy.

One of Qatar's flagship projects – the airline Qatar Airways – suffered serious losses as a result of the sanctions. The popular airlines lost 18 destinations in the UAE, Saudi Arabia, Bahrain, and Egypt. Moreover, flights to other countries were affected as QA was no longer able to use the airspace of these four countries. This resulted in decline of 9 per cent in the passenger uptake and an increase of 15 per cent in flight cancellations a year after the blockade. QA, however, reacted very professionally: 1) In response to the closed airspace, QA established air corridors through Iran and Oman; 2) QA added 21 new destinations in 2017 (and eight more are planned) and increased capacity to Oman which has become an airplane hub for those wanting to visit Qatar from beyond the region; 3) 20 new aircrafts were bought and 343 are in order as QA started chartering flights on the international aviation market.

Sanctions have blocked Qatar from accessing the port of Jebel Ali, which has so far played a key role in Qatar's foreign trade. However, the emirate managed to accelerate work on the new port – Hamad Port – which extends supply directions to countries such as Oman, Turkey, India, and China.⁴⁷

Oman played an extremely significant role in mitigating economic sanctions placed on Qatar. By establishing tight collaboration between the two countries in the form of initiating trading connections between Salalah Port and Hamad Port and providing allowance to Qatari flagged vessels to enter the sultanate's water enabled Qatar to lift itself from isolation. Equally significant was Qatar's access to the Strait of Hormuz which ensured the free flow of hydrocarbon exports to Asia.

In order to stall the destabilization of its real estate market, Qatar has changed the law and allowed foreigners to buy real estate and establish own businesses without a local partner. Since 2018, foreign investors have been allowed to possess 100 per cent ownership in most sectors of the economy in a bid to boost non-energy revenues. Authorities in Doha liberalized visa regulations for several new countries. As part of the real estate market policy, Qatar increased the number of building permits (90 per cent increase in July 2018 compared to July 2017) that led to growth of the construction sector. Residences remain on the top of the list (59 per cent).⁴⁸

Many government departments cut their budgets and reduced staff costs in order to counter the budgetary imbalances. While in 2017 the fiscal deficit was 1.6 per cent of GDP, in 2018 it returned a surplus of 2.8 per cent.

Significant steps were taken to strengthen public diplomacy like: media engagement; hosting public events and initiatives; political engagement; digital, cultural, sport, and science diplomacy; economic diplomacy. They countered the denigration of the emirate by the ATQ on international platforms which tried to portray Qatar as a threat to regional peace and security. Most of the media positively evaluated Qatar actions, among

⁴⁷ S. Kerr, "Qatar Attempts to Build..."

⁴⁸ "90% Rise in Building Permits Issuance", 13 August 2018, at <<https://thepeninsulaqatar.com/article/13/08/2018/90-rise-in-building-permits-issuance>>, 19 October 2018.

them being *The Economist*⁴⁹, *Foreign Affairs*⁵⁰, *Financial Times*⁵¹, *New York Times*⁵², *Le Figaro*. Such an attitude helped Qatar to build trust among Western states.⁵³

WHY SANCTIONS FAILED?

There are several doubts over whether ATQ sanctions imposed on Qatar are legal in the first place. The ATQ has implemented the full range of sanctions provided by international law, but it appears they did not achieve international legal legitimacy as no international law was cited by them. This particularly concerns doubts over human rights violations.

In line with Akbar Torbat's concept emphasizing that one of the prerequisites determining the effectiveness of sanctions is imposing them on basic strategic goods, with low supply elasticity⁵⁴, access was denied to goods with low demand price elasticity, or basic goods consumed by civilians. However, under the J. Dashti-Gibson law, this was the first mistake. J. Dashti-Gibson argues that when sanctions are imposed on consumer goods, including general use goods, they bring about negative social outcomes. Thus, countries introducing sanctions need to choose between the effectiveness of sanctions as well as its moral aspect as sanctions on goods affects the society at large. He points out that sanctions imposed on financial flows seem to be a better alternative as they primarily affect the elites.⁵⁵ But in the case of Qatar the sanctions affected the part of the population which was not responsible for the conflict in the first place – predominantly foreign workers – which was a moral conundrum. The ATQ has never received any broad international or even regional support for such sanctions (apart from the initial support from the White House). At the same time, Qatar applied for arbitration proceedings, accusing the ATQ of breaking basic human rights (access to food, pharmaceuticals, freedom of mobility, et cetera).⁵⁶

⁴⁹ "The Siege of Qatar Isn't Working", *The Economist*, 15 June 2017, at <<https://www.economist.com/middle-east-and-africa/2017/06/15/the-siege-of-qatar-isnt-working>>, 1 May 2018.

⁵⁰ K.C. Ulrichsen, "How Qatar Weathered the Gulf Crisis".

⁵¹ "The Continuing Blockade of Qatar Makes No Sense", *Financial Times*, 19 April 2018, at <<https://www.ft.com/content/57952eba-43d9-11e8-803a-295c97e6fd0b>>, 15 May 2018.

⁵² G. Harris, "Pompeo's Message to Saudis? Enough Is Enough: Stop Qatar Blockade", *The New York Times*, 28 April 2018, at <<https://www.nytimes.com/2018/04/28/world/middleeast/mike-pompeo-saudi-arabia-qatar-blockade.html>>, 2 July 2018.

⁵³ H. al-Muftah, "Qatar's Response to the Crisis. Public Diplomacy as a Means of Crisis Management", in A. Krieg (ed.), *Divided Gulf. The Anatomy of the Crisis*, Singapore 2019, pp. 233-250.

⁵⁴ A. Torbat, "Impacts of the US Trade and Financial Sanctions on Iran", *The World Economy*, vol. 28, no. 3 (2005), pp. 407-434.

⁵⁵ J. Dashti-Gibson, P. Davis, B. Radcliff, "On the Determinants of the Success of Economic Sanctions: An Empirical Analysis", *American Journal of Political Science*, vol. 41, no. 2 (1997), pp. 608-618.

⁵⁶ J. Dugard, W. Schabas, "The Blockade of Qatar One Year on: Violation of Human Rights and Coercive Measures", 5 June 2018, at <<http://tgchambers.com/wp-content/uploads/2018/06/Qatar-report.pdf>>, 10 June 2018.

The ATQ also overestimated Qatar's dependency on neighbouring countries. As such, introducing the embargo proved to be a serious mistake, since it proved futile in isolating Qatar from Iran and Turkey. Also, Oman's attitude was rather unexpected for the aggressors. The three aforementioned countries entirely neutralised the initial shock on Qatar's economy, thus rendering the blockade completely ineffective. Iran became the window to the world for Qatar. To make things worse, the sanctions opened access to the Arabian Peninsula for their ancient enemy – Iran – which adopted the role of Qatar's closest regional ally. The ATQ therefore paid a high political price for their aggression.⁵⁷

David. Lektzian and Christopher Sprecher claim that whenever sanctions fail, the threat of military conflict rises significantly.⁵⁸ However, in the case of Qatar the ATQ could not count on it, either. Today there is no consent from the USA towards any violation of the emirate's territory. The sovereignty of the state is also defended by the Turkish army (3,000 – 5,000 soldiers). Apart from this, it would be foolhardy to expect that in case of aggression Iran will remain neutral.

Furthermore, the ATQ failed to force Qatar to change their policy, which is partly due to the type of governance and power structure in Qatar – absolute monarchy. Daniel Drezner has proved that sanctions imposed on authoritarian countries typically show very low effectiveness.⁵⁹ According to his theory, we could see the consolidation of power around the ruling emir, accompanied by certain repressions against a rather weak opposition.

As Torbat states, the effectiveness of sanctions is low in case of countries with sufficient resources,⁶⁰ while Jaleh Dashti-Gibson admits that strong countries are significantly more resistant to any negative impact of sanctions.⁶¹ This brings into question the prudence and reasonableness of imposing an embargo on a country with the highest GDP *per capita* in the world and almost the highest capital reserves *per capita*. The source of Qatar's income are gas exports (not blocked by the ATQ) and the state has a regular source of income generated by FDI capital investments. What could the ATQ use as an effective instrument to pressurise the emirate of Qatar then?

The experience gained so far regarding the effectiveness of sanctions imposed on countries with energy resources (Iran, Iraq or Russia) clearly shows that sanctions bring the desired results only when the embargo is extended to trading hydrocarbons. Resource providing countries suffer from the *Dutch disease*, which confines their economies to a resource-based (energy-based) monoculture. Introducing a ban on their

⁵⁷ K. Katzman, "Qatar. Governance, Security and U.S. Policy", Congressional Research Service, 7 June 2018, p. 9.

⁵⁸ D. Lektzian, Ch. Sprecher, "Sanctions, Signals, and Militarized Conflict", *American Journal of Political Science*, vol. 51, no. 2 (2007), pp. 415-431.

⁵⁹ D. Drezner, "Bargaining, Enforcement and Multilateral Sanctions. When Is Cooperation Counter-productive?", *International Organization*, vol. 54, no. 1 (2000), pp. 75-78.

⁶⁰ A. Torbat, "Impacts of the US Trade and Financial Sanctions on Iran", p. 427.

⁶¹ J. Dashti-Gibson, P. Davis, B. Radcliff, "On the Determinants of the Success of Economic Sanctions: An Empirical Analysis", *American Journal of Political Science*, vol. 41, no. 2 (1997), pp. 608-618.

exports of crude oil or natural gas deprives the states severely of basic income. Similarly, in case of Qatar the effectiveness of the policy of sanctions would have been significantly higher if Qatar had been prohibited from trading gas. However, the sanctioning countries are themselves highly dependent on this channel for their energy needs. Paradoxically, we could imagine energy problems to be faced by UAE if Qatar had retaliated and applied sanctions, cancelling gas supplies to this country.

Torbat also emphasises another crucial issue – the prestige-based approach of both the (conflicting) parties to sanctions. After their imposition, the reputation of the head of the government or the state is at stake (both in the sanctioning and sanctioned countries), along with the reputation of an international organisation.⁶² This in turn constrains the space left for relieving international tensions and reaching any agreement by both the parties. As A. Torbat predicted, from the very beginning we have dealt with an ambition-based conflict, combined with Arab pride – the soft determinants of international politics, playing an important role in the region. The big and the powerful of the region – Saudi Arabia and UAE – were not able to accept the growing importance and regional power of Qatar – in fact, until recently a city state. The aforementioned factors strongly motivated the leaders of the ATQ to stand against Qatar. Today the issue of regional ambition is restricting the resolution of the conflict.⁶³ The main problem in this process lies in the lack of willingness of each of the conflicting parties to step back and give up their policy, as this would mean losing face. Formulating the so-called ‘13 requirements’ directed to the authorities in Doha interfered with Qatar’s sovereignty so much that no space was left for negotiations and consequently for the termination of the blockade.

Also, the emirate did not show any signs of readiness to accept any concessions. Emir Tamim in every public speech emphasized the question of sovereignty, pride, and dignity, which were attacked by the Quartet member states. Lack of Qatar’s willingness to make concessions seems to be a serious challenge for the leaders of the ATQ, who cannot find a way to resolve the conflict with dignity.⁶⁴ Cancelling the embargo would mean the moral and strategic victory of the city state over the regional hegemons!

CONCLUSION

The Gulf crisis clearly shows that according to the Joseph Nye’s contention *power in international relations is like the weather [...] everyone talks about it but few understand [...] just as farmers and meteorologists try to forecast storms, so do leaders and analysts try to*

⁶² A. Torbat, *Impacts of the US Trade...*, p. 429-431.

⁶³ Policy Analysis Unit, Arab Center for Research and Policy Studies – Doha, Qatar, “The Crisis in Gulf Relations: Old Rivalries, New Ambitions”, in G. Doumar i in. (ed.), *Crisis in the Gulf Cooperation Council. Challenges and Prospects*, Washington 2017, pp. 7-13.

⁶⁴ M. Lynch, “Three Big Lessons of the Qatar Crisis”, *POMEPS Briefing*, no. 31 (2017), p. 14.

*understand the dynamics of major changes in the distribution of power among nations*⁶⁵. It simply means that power is unpredictable and cannot be measured only through quantitative variables. The conflict between Qatar and ATQ is asymmetrical and the parties differ significantly in territorial, economic and military demographic potential. The ATQ states dominate in all these aspects, while Qatar, *to counterbalance its 'smallness' maximizes its resources for military, economic, and diplomatic purposes*⁶⁶. Even with the bigger potential, the ATQ states have not achieved the assumed goals while Qatar has successfully resisted regional restrictions. Qatar's success was due to the replacement of broken trade relations with Saudi Arabia and United Arab Emirates with an alternative one with Iran and Turkey quite rapidly. The sanctions proved to be ineffective therefore due to their micro-regional character and low international support.

We are able to – on the basis of the arguments made in the previous sections of this paper – summarize the strengths and weaknesses of both sides that ultimately seeks to provide us with an answer to the question: what are the sources of the success of Qatar and the failure of the ATQ states? The sources of Qatar's strength during the conflict with the ATQ, as well as its resistance to the sanctions may result from:

- High levels of institutional development, the quality of political elites;
- High quality of diplomacy;
- Fast and efficient decision-making process proving political maturity of the authorities in Doha (good, sound decisions);
- Existing foreign policy based on maintaining good relations with neighbours;
- Quality of business elites (e.g. Qatar Airways, QatarGas, RasGas) contributing to the elasticity and creativity of the system;
- Appropriate decisions regarding the security of the state – opening the country to stationing the US army or Turkish troops;
- Appropriate decisions regarding the economic security of the country – the decision on developing Hamad Port made after the diplomatic sanctions were imposed for the first time in 2014;
- Consistent domestic policy, consolidating the society during the crisis, and consequently bringing about strong support for the emirati government.

Further, the outstandingly proficient diplomacy of Qatar played an invaluable role in defending the emirate's sovereignty. From the very beginning, Qatar denied any allegations of support for terrorism. On the contrary, it presented itself as a victim – one of economic terrorism, of a ruthless attack against the citizens of the emirate as well as residents.⁶⁷ The state was also trying to demonstrate that, unlike the ATQ, it is a fully responsible, or even merciful player on the international arena. Qatari leaders admitted that showing the world their maturity in their relations with the aggressors is more

⁶⁵ J. Samuel Nye, Jr, "The Changing Nature of World Power", *Political Science Quarterly*, vol. 105, no. 2 (1990), p. 177.

⁶⁶ B. Saidy, "Qatar's Defense Policy: Smart Choices of Small a Small State", *SSANSE Policy Brief*, no. 24 (2018), p. 5.

⁶⁷ M. Zafirov, "The Qatar Crisis – Why the Blockade Failed?", *Israel Journal of Foreign Affairs*, vol. 11, no. 2 (2017), p. 197.

important than exacting revenge against them. One of the examples demonstrating this approach is that Doha respected all its commercial and international agreements – in accordance with the principle of *pacta sunt*. It was possible for Saudi and UAE airline companies to use the air space over the emirate freely. There were no disruptions in gas supplies to UAE. Lessons were learnt from the blockade of gas supplies to Ukraine by Russia; in order to make any diplomatic activity successful, international law has to be respected. This approach proves the high levels of political maturity of Qatar's elites.

The weakness of the sanction policy therefore has its roots in the strengths of Qatar (following Gabriel Collins):

- very small population;
- extensive resources and free capital;
- alternative channels of supplies by sea;
- time to make the necessary adjustments;
- lessons learnt from previous conflict with Saudi Arabia and UAE (sanctions in 2014); consequently, it could prepare itself for another act of aggression.⁶⁸

Despite the outcomes of the crisis, both sides of the conflict announced their victory. Representatives of the ATQ states have held that sanctions led Qatar to focus on its economy and limited or held back the small emirate from interfering in conflict zones in the Middle East. On the other hand, the Qatar side claims that the crisis made the state stronger and more self-reliant. Qatar's decision to quit the OPEC proves that the emir wants to seek independence from Saudi Arabia in all respects.

It is however difficult to portray Qatar as a model for sanctioned states. The emirate had adequate financial resources to counter the negative effects of sanctions which is an exceptional situation in the modern world.

The status quo despite some courtesy statements has been cemented and finding a solution to the crisis is currently on a low priority for the parties involved. In the opinion of regional experts, *the continuing blockade of Qatar makes no sense*⁶⁹ and the state is perceived by them to be the winner of the crisis.⁷⁰ Qatar is not so much interested in normalizing relations with the ATQ and even if sanctions will last multiple years they have failed to coerce Qatar into making the concessions desired by the sanctioning countries.⁷¹ The emirate has proved that it can develop – at least as far as the economy is concerned – outside of the GCC structure. The crisis in the Persian Gulf will therefore be a caesura in the coming future, which will change the sub-regional relations in such a way that the return to status quo ante will be difficult to achieve.

⁶⁸ G. Collins, "Anti-Qatar Embargo Grinds Toward Strategic Failure", Issue brief, no. 1.22.18, 22 January 2018, at <<https://www.bakerinstitute.org/research/anti-qatar-embargo-grinds-toward-strategic-failure>>, 10 November 2018.

⁶⁹ "The Continuing Blockade of Qatar Makes No Sense".

⁷⁰ H. Hassan, "Qatar Won the Saudi Blockade", *Foreign Policy*, 4 June 2018, at <<https://foreignpolicy.com/2018/06/04/qatar-won-the-saudi-blockade>>, 10 August 2018.

⁷¹ G. Collins, "Anti-Qatar Embargo Grinds toward Strategic Failure".

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