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Qatar: A Little Local Difficulty?

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Key Findings

- Unconfirmed rumours of a failed military 'coup' attempt against the regime of the Emir Hamad Bin Khalifa Al-Thani emerge in Aug 09.
- Qatar maintains a traditional political system based on hereditary rule under the Al-Thani family. However, the last two successions were the result of depositions of the respective Emir by close family members (1972 and 1995). Other attempted coups have been suspected.
- In the last two decades, Qatar has experienced remarkable social and economic development.
- Qatar capitalises on its hydrocarbon resources to conduct its economic transformation programmes.
- Despite its small size, Qatar conducts a dynamic and pragmatic foreign policy that is more usually characteristic of a leading regional power or other big international player.
- Qatar supplies 20% of UK's natural gas requirement.

Map of Qatar and Region



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Qatar: A Little Local Difficulty?

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Introduction

Qatar, the small peninsular state jutting from the eastern shore of Saudi Arabia, has long been considered an important ally to the West, hosting as it does the large CENTCOM forward headquarters and the Al-Udeid airbase. Whilst a prosperous and superficially stable state, the first week of August 2009 saw a series of reports in Arab open source media suggesting that some form of 'coup' may have been attempted. A number of Arab news websites¹ began reporting that the Qatari authorities had resisted an attempted military coup that may have taken place on the 30 July. The sites – including a respected Jordanian on-line daily newspaper, *Al-Haqiqa Al-Douliya* - reported that the Qatari Emir had ordered the arrest of around 30 military officers, including 5 officers from the Amiri Guards². Following this incident, open source reporting suggested that several prominent members of the Al-Thani ruling family had cut short their usual summer holidays in European capitals and made their way back to Doha³. Others were said to be holding meetings to discuss political developments. At the time of writing, no official Qatari or pan-Arab media had offered substantive comment on developments, an unusual attitude by the region's competing TV companies and the foreign based independent media⁴. What commentary there has been has been largely dismissive – the only 'official' Arab comment to come forward was from a Gulf Cooperation Council (GCC) diplomat⁵ who commented that the news on the military coup attempt were "not well founded" – not the strongest of denials. Kuwaiti newspaper Al-Qabas suggested that the military rebellion was a 'baseless rumour'⁶, whilst a US military spokesman in Qatar dismissed the theory of any recent coup attempt.

Yet if the coup attempt is only a rumour, it seems strange that the Qatari government should not be more forthright in its statements. One possible explanation is that any such 'coup' (and this word is used reservedly) may possibly have resulted from a family issue and

¹ For example: *Failed Military coup attempt in Qatar*. Al bawaba, 2 August 2009. (In Arabic)
<http://www.albawaba.com/ar/countries/Bahrain/301382>

² The Amiri Guard Command is responsible for the protection of Qatar's royal family and political leadership

³ *Qatar Investigate Secretly with rebellious Military Officers*, Elaph, 2 August 2009. (in Arabic)
www.elaph.com/Web/Politics/2009/8/467605.htm

⁴ A reference to Al-Jazeera, Al-Arabiya and Abu Dhabi TV, all based in the region, and the large number of newspapers based in London.

⁵ See <http://hespress.com/?browser=view&EgyxpID=14481>. (In Arabic).

⁶ *Qatar Source Says Talk about Military Coup Baseless Rumours* Al-Qabas, 5 August 2009. (In Arabic).

thus one that would, in this very conservative society, be dealt at the private family level. Unfortunately, Qatar has, since 1996, chosen to follow a more public trajectory in its international affairs, not least through the establishment of the pan-Arab media company Al-Jazeera⁷ which has caused the country and its ruling family considerable difficulty with both Arab neighbours and external state and non state actors alike. Qatar has also sought to wade into debates over Palestine, Iran and lend support to the US in its campaigns in Iraq and Afghanistan. Such a public persona means that rumours – however vague – of a coup will attract interest in the international community; a little ‘local difficulty’ may have important strategic ramifications for the West.

Political, Religious and Military Background

Qatar is an absolute monarchy and has been since the country’s official independence in 1971. The ruling family appears to enjoy considerable support amongst its tiny organic population although this may not be entirely coincidental as some surveys have suggested that the countries complicated tribal and family networks may mean that as many as 40% of the population is related to the monarchy. As a result of Qatar’s abundant energy supplies, the population enjoys the world’s second highest per capita income – estimated to be US\$75,000 in 2008⁸.

The population follows the conservative Wahabi branch of Sunni Islam, much influenced religiously by Saudi Arabia. The Emir, Sheikh Hamad bin Khalifa Al-Thani is both the Head of the State and of government. A graduate of Sandhurst (1971) he is considered to be pro western in his outlook and is married to Sheikha Mozah bint Nasser Al Missned who has forged a career in her own right in international relations, and currently holds the post of UNESCO Special Envoy for Basic and Higher Education. The Emir is aided by a family member, Sheikh Hamad Bin Jassim Bin Jabor Al-Thani as Prime Minister and Minister of Foreign Affairs. On 5 Aug 03 the Emir nominated his son Sheikh Tamim as Crown Prince. The majority of other ministerial posts and leading state positions are shared between the Al-Thani and other prominent families.

Although a Wahabi State, Qatar has chosen to follow a softer path, particularly under the leadership of the current Emir, allowing Qataris, and in particular women, to enjoy more social freedoms than their much larger next-door neighbour. Another sign of openness was the opening of the country’s first Roman Catholic Church⁹ in March 2008, the land on which it stands having been donated by the Emir himself. In addition to economic and political

⁷ See *Losing Arab Hearts & Minds: The Coalition, Al-Jazeera & Muslim Public Opinion*. Tatham. Hurst & Co. 2006.

⁸ *Qatar Gross Domestic Product to Increase 10 % despite global crisis* Emirates Business 24/7, 15 December 2008.

http://www.business24-7.ae/Articles/2008/12/Pages/12152008_f53ae44b4b8c400aaab66c682b6034e4.aspx

⁹ *Qatar Hosts Its First Christian Church* The Times, 14 March 2008.

modernisation initiatives, the Emir has launched a tentative democratisation process. A constitution was adopted, by referendum, in 2003, that envisaged the creation of an advisory council of 45 members, of which two thirds are elected by popular vote with the final third nominated by the Emir. The Emir has also overseen dramatic liberalisation of the country's press, shutting down the Ministry of Information¹⁰ and, as noted above, launching the country's own pan-Arab media company, Al-Jazeera. Today, Al-Jazeera is a leading news channel not only in the Arab world but globally. However, it is clear that there remain some red lines and critics of the channel's reporting note that Al-Jazeera does not cover events in Qatar. This may, perhaps, account for the channel's silence on the rumours of a supposed 'coup'.

The Emir is also Minister of Defence and Commander in Chief of the armed forces, holding the rank of Major General. The Armed forces in Qatar are organised into three main branches: Qatari Amiri Land Forces, Qatari Amiri Navy, and Qatari Amiri Air Forces. Like many of its peers in the GCC the High Command is staffed mainly by members of the royal family or other influential supporting families. Although modest in size, the armed forces are well equipped and Qatar invests around 10% of its GDP on its military. Chief of Staff of the Qatari Armed Forces is Major General Hamad Bin Ali Al-Attiyah, Colonel Saif Al-Hajiri is commander of ground forces whilst the The Amiri Air Forces is commanded by General Ali Said al-Hawal al-Marri¹¹. It is perhaps of note that none of these three key figures are family members. Armed forces soldiers are largely of foreign origin and predominantly Pakistani. The country's strategic relationship with the US is perhaps a choice of reason, rather than a choice of emotion. Qatar is a rich, small and militarily weak country, surrounded by often ambitious neighbours, namely Iran, Saudi Arabia and until very recently Iraq. In the 1990s, the government of Qatar built al-Udeid air base at a total cost of US \$1.4 billion and invited the Americans to be based there. If this was a good deal for the Americans, who were temporarily and increasingly inconveniently stationed in neighbouring Saudi Arabia, then it was an intelligent and strategic move by Qatar. Historically the country has not enjoyed the best relationship with Saudi Arabia and as far back as 1916 it sought a protector, prompting then ruler Abdallah bin Qasim to sign the protectorate arrangement with the British Empire¹². Some 80 years on exactly the same perception of threat prompted the arrangement with the US. Since then the Qataris have sought to diversify their strategic alliances, the country launching a process of closer co-operation with France, which Sheikh Hamad regards as a necessary counterweight to Qatar's relations with Washington. France, up to 2006, supplied 80% of Qatar's military equipment. In 2007, a prestigious French military school announced

¹⁰ *Qatar Broadcasting a New Messages*, The Washington Diplomat, January 2002. http://www.washdiplomat.com/02-01/a6_01_02.html

¹¹ *The Gulf Military Forces in an Era of Asymmetric War: Qatar* Anthony H. Cordesman and Khalid R. Al-Rodhan, Centre for Strategic and International Strategies, Washington, 2006.

¹² *The Making of Modern Gulf States: Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman* Rosemarie Said Zahlan Ithaca Press, 1998, p. 86.

the opening of its affiliate in Qatar to provide education to military officers from the region in the French doctrine and language.¹³

Exceptional Economic Growth

Similar to other oil economies, Qatar is heavily dependent on hydrocarbons for its growth however it is natural gas, not oil, that is the backbone of the Qatari economy. The hydrocarbon sectors play a major role in Qatari macro-economic indicators. In 2008, they accounted for more than 60% of GDP, 60% of budget revenues, and more than 90% of exports. The increased demand on natural gas globally for its acceptable environmental effects has made Qatar's small population one of the wealthiest countries in the world. In common with other GCC states the total population including expatriate labour is increasing year by year as the economy continues to perform well. According to the Qatar Statistics Authority, the total population has more than doubled between 2000 and 2009¹⁴. The government statistics do not, however, reveal the number of Qatari citizens. The government of Qatar treats the number of its nationals as a sensitive issue, but some sources estimate that the number of Qatari citizens to be only 250,000, which would constitute less than 15 percent of the total population. This is an area of considerable concern to the Qatari government which, like Abu Dhabi and Dubai, is deeply concerned that nationals may form an ever diminishing minority in their own country.

Despite the global economic troubles that have affected the economies of most countries around the world, Qatar's economy continues to grow fast. The Qatari economy is currently the strongest in the GCC region due to its natural gas sector. It is estimated that Qatar's economy could grow by 9% during 2009. What to some extent insulates Qatar from the current global economic conditions is that its exports of LNG (Liquefied Natural Gas) have been sold on the basis of long-term contracts and fixed prices. Like other Arab gulf states, Qatar spends a majority of its wealth domestically to diversify its economy. The government is investing heavily in infrastructure, hospitals and universities, as well as tourism and financial services, as a means of supporting a diversified economy away from energy. A new international airport is currently under construction which, once built, is expected to handle 24 million passengers and 750,000 tons of cargo each year. Major investments have also been initiated or planned for Doha to convert the city into an international capital. The aim is to provide the city with an infrastructure that increases the quality of living to its residents and visitors, thereby making Doha even more attractive for international businesses and tourists. The recently opened Museum of Islamic Arts, with its

¹³ *Qatar, Amis discret de Paris*. L'express, 27 February 2009. http://www.lexpress.fr/actualite/monde/proche-orient/le-qatar-ami-discret-de-paris_743498.html

¹⁴ Qatar Statistics Authority - Annual Abstract 2009. www.qsa.gov.qa/eng/publication/Annabs2009.htm

impressive collection, helps differentiate the city of Doha from other neighbouring capitals¹⁵, which all share a general visitors' criticism of a lack of culture and sights. Despite its diversification initiatives, Qatar's economy for the foreseeable future will remain clearly dependent on the exploitation of its large hydrocarbons reserves.

The country has substantial financial reserves that tend to be invested abroad. The income of such funds provides a degree of diversification to the state budget. The Qatari government has seen the ongoing economic and financial crisis as an opportunity for strategic investments. Qatar's Sovereign Wealth Fund was invested in acquiring 16% of shares in the British *Barclays Bank* and 10% of *Credit Suisse*. Qatar approved the new 2009-2010 budget, which despite the global financial and economic crises projects huge expenditure. The aim is to overcome the economic slowdown caused by the global financial and economic crises, as well as to achieve the targets set in the 2030 National Vision. The IMF's article IV consultation report praised the way the Qatari government dealt with the effects of the global financial crisis¹⁶.

The Energy Dimension

Although Qatar is a small country, its profile in the international energy market is set to rise as the global demand for clean forms of energy such as natural gas grows. Qatar's hydrocarbon reserves are substantial, possessing 14.4% of the world's total proven reserves of natural gas, Qatar is ranked third in the world, just after Russia and Iran. Most of its natural gas is located in the *Ras Laffan* field. It is the world's largest exporter of LNG. The Qatari government is investing \$90bn with the aim to triple its LNG exports by 2012. LNG exports by Qatar are handled only by the state owned companies: *Qatargas* and *Rasgas*.

Several important countries rely on imports from Qatar to consolidate their energy security. The main markets for its LNG exports are Asian-based economic powers: China, India Korea and Japan. Qatar also supplies LNG to European markets, including the UK. For the coming decades, Asia is expected to be the largest consumer of Qatari natural gas. Qatar's importance in the global energy arena is manifested by the fact that Doha was chosen as the location for the head quarters of the Gas Exporting Countries Forum (GEFC) during its meeting in December of 2008. Moreover, several large international oil companies are operating projects in the country's northern field, the single most important natural gas field in the world. The north field covers almost half of the surface area of Qatar, some 6000 sq. km. Companies such as *Total S.A.* hold stakes in several projects such *QatarGas 2*. *Total S.A* holds a 20% stake in upstream operations at Qatar Gas. The British/Dutch oil

¹⁵ *Art and Architecture in the Middle East*, The Sunday Times, 3 August 2008.

¹⁶ *Qatar: 2008 IV Consultation- Staff Report* International Monetary Fund Country Report No. 09/28, January 2009.

company *Shell* signed a development and a Production Sharing Agreement in July 2004 for the construction of a giant Gas-to-Liquid facility. Other global leaders are also active in Qatar, such *ExxonMobile* and *ConocoPhillips* amongst others.

A History of Gentlemen's Coups?

If there is one characteristic that distinguishes the political systems of the Gulf, it is a "tradition" of bloodless and rather gentlemanly coups. Abu Dhabi, Oman, Ras al Khaimah have all seen monarchs come and unceremoniously, but bloodlessly, depart. Qatar is no different. Since the country achieved independence in 1971 there have been at least two, notably 1972 and 1995. In 1972 Emir Sheikh Khalifa deposed his cousin Sheikh Ahmad in a bloodless coup whilst in 1995 the current Emir deposed his father in a non-violent coup when the latter was on a business trip abroad. His father remained in exile, splitting his time between France, Saudi Arabia and UAE, until 2004 when he finally returned to Qatar. Both these coups took place within the ruling Al-Thani family and for all its concern at outside threats to the nation's sovereignty, history would suggest that future challenges might more typically come from within the large and perhaps discordant family grouping. Whilst 1972 and 1995 were both successful there have also been a number of unsuccessful attempts since the mid-1990s. On many occasions, and emanating from within the Qatari government, accusations have emerged of neighbouring states pushing to depose the current Emir. Honest assessment, helpful smokescreen or perhaps a mixture of both?

Foreign Policy

The country's political elite is very conscious of its small size, and of its limited military capacities. Geographically it is located in a very sensitive region of the world. The abundance of its natural resource might perhaps make Qatar a target for expansionary regimes in the future – although the presence of the US makes this problematic. But none the less, Qatar's leadership has tried to develop a pragmatic foreign policy – one where strong relations with global and regional powers have been sensitively cultivated to help ensure continued economic prosperity.

Qatar's relations with Israel distinguish the country from its neighbours in the Gulf region. Until earlier this year Qatar was the only GCC state with established relations with the state of Israel. In doing so it incurred the anger of other Arab nations and distinguished its particular blend of foreign policy independently from that of its neighbours. Official relations with Israel date back to 1996 when Shimon Peres, then Israeli Prime Minister, made the first visit by an Israeli premier to Qatar. In the same year, Qatar allowed the opening of an Israeli trade mission in Doha managed by Israeli diplomats. However, in January 2009, as a

reaction to the Israeli attack on Gaza and increasingly critical voices about the Qatari-Israeli relations in the Arab world, Qatar requested that Israeli diplomats leave the country.¹⁷ Today Qatari diplomacy is amongst the most active in the Arab world. Qatar played a decisive role in several crises that shocked the Arab world such as the holding of an extraordinary, if reduced, Arab summit to deal with the recent Israeli attacks on Gaza. Sometimes this was done through petrodollar diplomacy, other times through inviting the different conflict parties to participate in dialogue in Doha, which resulted among other things in an agreement on the latest Lebanon crisis. It would appear that Qatar has developed both an interest in and a flair for international conflict resolution. It has tried on a number of occasions in recent years to restart Israel-Palestinian talks and Qatar has also tried to mediate between Fatah and Hamas in the hope of establishing order inside the Palestinian house.

Qatar-Iranian relations present another aspect of Qatari pragmatism in its foreign policy. Qatar's Wahabi-style ideological orientation would naturally predisposes the country to opposition to Iran's Shiite Islamic Republic. However, Qatar maintains good relations with Iran, at a time when other leading Arab nations are having considerable difficulty with the Iranian regime. With Iran often accused of interfering in Arab affairs, fostering security threats, and aiming to expand the Shia'a branch of Islam to Arab Sunni land, Qatar's diplomatic activities are known to irritate some of its neighbours powers in the Arab world.

Qatar and the UK

Britain has had special ties with Qatar dating back to 1916 when it became a protectorate of the British Government. Several members of the Qatari royal family have studied in the UK and many senior Royals maintain residences in and around London. The Emir also holds the British Order of St. Michael and St. George. However it is Qatar's economic might that is perhaps most keenly felt. The Qatari Investment Authority Sovereign Wealth Fund has been investing considerably in European and UK assets, including the acquisition of shares in *Sainsbury*, *Barclays* and a number of other British companies. Qatar is also a major supplier of gas to the UK, *Qatargas 2* supplying around 14 million tons of gas per year to the UK, equivalent to 20% of the UK's natural gas needs. Qatar, through its natural gas exports, has offered the UK over the years a very reliable energy supply.

After the 9/11 attacks many Gulf Arab countries found their students no longer felt comfortable studying in the US and turned to the UK for education; most UK universities now have a small Qatari undergraduate student population. Oxford University now hosts a Qatari sponsored chair in Islamic studies whilst Imperial College London is partnered with the Qatar

¹⁷ *La Mauritanie et le Qatar Suspendent Leurs Relation Avec Israël*, L'Express, 16 January 2009. www.lexpress.fr

foundation (chaired by Sheikha Mozah) for scientific development. Qatar routinely sends its military officers to both basic and advanced staff training establishments in the UK and Doha is a regular port of call for Royal Navy warship's operating in the Gulf.

Concluding Remarks

Without the more traditional coup like images of soldiers on the streets, in such conservative societies as Qatar it is very difficult to determine if the rumours that surfaced in early August are legitimate. The UK's Standard Chartered Bank , Qatar 2020 Report stated: "Qatar has become the most dynamic economy of the Gulf states". The National Bank of Kuwait has noted that: "The country is enjoying the fruits of a development strategy set in the 1990s that combines economic openness with a clear economic diversification plan and institutional and democratic reforms". Thus the political and economic fortunes of the country, coupled with a small organic population, suggest that a popular revolutionary uprising is simply unthinkable. Whilst there may be disquiet over relations with Israel, whilst Al-Jazeera may hinder Qatar's foreign policy agenda and whilst the continued presence of US troops on the Arabian peninsular remains a source of angst for many, the outstanding quality of peaceful living that Qataris enjoy seems of greater importance. Nor with the apparently cordial relations with Iran does external interference from across the Gulf seem probable. Thus if there was a 'coup' – and it is by no means clear that there was – it seems much more likely that it would have had the gentlemanly genesis of previous affairs – an inter-family dispute. And here we may speculate just a little. Doha has enjoyed its share of notoriety – the Feb 04 assassination of Zelimkhan Yandarbiyev by Russian agents, their subsequent trial and then return to an apparent heroes welcome in Russia, caused considerable and no doubt unwelcome tension between the two gas producing behemoths. It is also an open secret that relations with Saudi Arabia, whilst improving, are still at times frosty and Qatari royal family insiders sympathetic to their neighbour may have been uneasy at the increasingly strident direction of Qatari foreign policy, which at times has appeared to have seen the regional hegemon over-shadowed by its smaller neighbour. Perhaps coincidentally the Qatari coup rumours also coincided with reports of the ongoing Saudi succession struggle by Iranian radical-conservative state media (notably Al-Alam, Kayhan and the Fars News Agency) which suggested that Saudi Prince Bandar Bin-Sultan was attempting to consolidate his position within the Kingdom's ruling hierarchy.

All of this can be for now no more than speculation and perhaps just as likely is the attraction of the substantial wealth, prestige and status that the ruling elite has amassed since independence. All, some, maybe even none of these might be reasons for overly ambitious family members to attempt to engineer a change at the top. Regardless, Qatar is

a nation of increasing significance to the UK and any such rumour of destabilisation – real or imagined - will inevitably attract close examination.

Disclaimer

The views expressed in this paper are entirely and solely those of the author and do not necessarily reflect official thinking and policy either of Her Majesty's Government or of the Ministry of Defence.

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