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Aiding and Abetting: The GCC as Quiet Giants and Emerging Players in Aid and Overseas Development Assistance

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INTRODUCTION

In the years since World War II, a small club of donor nations has been seen—and has regarded itself—as the most important player in humanitarian aid and development assistance. These states have also been seen as leaders in broader initiatives aimed at growing and diversifying the economies of less developed countries. Now, a series of interconnected trends are bringing a new group of donors from the Gulf Cooperation Council (GCC) to prominence alongside the member states of the Organisation for Economic Co-operation and Development (OECD), an association of wealthy countries that describes itself as the “venue and voice” for cutting-edge debates around aid and development.

The emergence of the GCC states, especially Qatar, Saudi Arabia, and the United Arab Emirates (UAE), in humanitarian aid has been welcomed by their international partners, who hope that the Gulf states can help take on the burden of reconstruction in the Middle East and North Africa. This enthusiasm should be tempered by a clear understanding of the political drivers behind the GCC states’ interest in providing assistance. The approaches of Qatar, Saudi Arabia, and the UAE in particular should be seen in the context of long-term thinking and regional competition. Despite the fact that the

common language of aid and development is being employed, the objectives of the Gulf states are likely to be substantially different from the stated objectives of officials in London or Washington DC, or at the United Nations or World Bank. From another perspective, the objectives of the Gulf states should be seen as little different from those of the U.K. and U.S., which often deploy aid as a tool of foreign policy. This brief provides an overview of the evolution of aid and development resources by the GCC states over the past several decades and discusses the political context for their emergence as donor nations. It also offers some broad observations on the risks associated with an OECD withdrawal from the Middle East and North Africa in favor of the Gulf states in the coming years.

THE GULF STATES AS EMERGING DONOR NATIONS

A series of crises from Syria to Myanmar and beyond has put an almost unprecedented strain on multilateral aid and development agencies like the UN and World Bank. At the same time, budget deficits and growing nationalism have reduced many traditional donor nations’ spending abroad, and many nations are now focused on spending that benefits donors directly. For example, the U.K. has become increasingly explicit in saying that spending through its Department



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for International Development must help bolster trade as well as improve lives abroad. At the same time, several of the Gulf states—namely Qatar, Saudi Arabia, and the UAE—have emerged as major donor nations in aid and development. Their increased visibility has coincided with foreign policies that are, to varying degrees, more visible and aggressive.

With their rapid development over the past several decades and lengthy experience working in underdeveloped and fragile contexts, the GCC states should have a considerable store of institutional knowledge with respect to development. If broader transactional arguments for foreign aid are to be believed, such as the U.K.'s Overseas Development Institute's statement that "the national interest is now a guiding principle behind U.K. aid spending,"¹ the GCC states should also have been able to earn considerable soft power abroad. But several open questions remain as to 1) whether the GCC states have learned from experiences overseas and at home; 2) whether development assistance and other forms of foreign assistance have translated into either international power or influence; 3) what strategic agenda overseas development assistance (ODA) and other forms of assistance serve for each of the GCC states beyond broad conceptions of soft power; and 4) whether Western allies and partners conceive of aid in the same way as the Gulf states.

In particular, it is unclear whether ODA, humanitarian aid, and other forms of financial assistance are seen as tools for achieving long-term policy goals as part of a "whole of government"² approach to fragile contexts that involves a more holistic approach to international relations, or as short-term plays aimed at achieving limited goals that are often political in nature. This is a particularly pertinent question in the context of the current era of the "chaos state,"³ in which many states have fragmented internally to the extent that they no longer exist as unified entities in reality and require highly sophisticated, multipronged policy responses. From a Western policymaking perspective, meanwhile, any discussion of

foreign assistance from the Gulf states must also include a frank discussion of funding for religious and armed groups seen as detrimental to Western national security and foreign interests.

RISKS OF GCC STATES IN FOREIGN AID

A veteran aid worker who has been employed by Western agencies, the UN, and a major Gulf state's main aid organization describes Kuwait, Saudi Arabia, and the UAE in particular as "quiet giants" in humanitarian aid and development.⁴ Kuwait has been described as an "inveterate" donor,⁵ while Saudi Arabia has claimed to have given away more than 4% of its annual GDP as ODA in the past.⁶ The UAE and Qatar have also become huge donors and sponsors of economic development projects over the past two decades.

However, the countries mentioned above have not been particularly transparent about how their spending has been deployed, and concerns have been raised about the intermingling of aid and funding for political and militant groups, such as those in Afghanistan and the Balkans. Since 9/11 however, the Gulf states have been under pressure to regulate their charitable sectors and state-run projects abroad. European officials still worry that Saudi Arabia in particular counts funding for proselytization of conservative Salafist Islam as "aid."⁷ A Western official interviewed by the author meanwhile worried that a new "hard transactionalism" was emerging in Gulf aid, as the UAE and Saudi Arabia have become more aggressive in their foreign policy stances, have written off past failed attempts at generating soft power through ODA, and as competition with Qatar, Turkey, and Iran has intensified. It can be argued that this transactionalism already existed among Western donors who saw aid as a way of combating extremism and pressuring recipient countries into changing policies they did not agree with.

In Yemen, for example, Saudi Arabia has crowded out other donors in its contributions to UN programming while forcing UN aid agencies to work with the

King Salman Humanitarian Aid and Relief Center.⁸ Saudi Arabia has also threatened to suspend all funding to the UN in response to its placement on the UN's list of state and nonstate actors who violate the rules of war on protecting children.⁹ Saudi Arabia's Yemen Comprehensive Humanitarian Operations plan has been described by leading relief agencies as an attempt at justifying a planned assault on a major Yemeni port, Hodeidah, which they fear could deepen what is already the world's worst humanitarian crisis.¹⁰ The plan was jokingly described by a senior Western official to the author as the "invade-Hodeidah humanitarian plan."

CONCLUSIONS

The Gulf states of 2018 have extensive experience as donors and developers. They are also experienced in using foreign aid as a tool of soft power in both relatively stable contexts and in fragile state contexts such as Afghanistan, Somalia, and Yemen. The GCC states are likely to become increasingly influential donors very soon and will have growing influence over how funds are dispersed in complex political environments like Yemen's. Multilateral organizations like the UN and World Bank are already looking to the GCC states as important donor nations with a mix of expectation and trepidation, particularly when reflecting on their experiences in Yemen and other Middle Eastern countries affected by conflict.

However, it remains unclear how reliable the GCC countries will be for major multilateral organizations. The reliability of Saudi Arabia is especially questionable for these major organizations as well as for the countries it has funded. What is clear is that the Gulf states—Saudi Arabia and the UAE in particular—will use their increasing weight in humanitarian aid to achieve their political aims and quell criticisms over their conduct in places like Yemen.

Unfortunately, not only is this transactional approach to humanitarian and developmental aid unlikely to receive criticism, it may well become the norm for Western powers like the U.S. Under the

leadership of President Donald Trump, the U.S. has become increasingly transparent in its desire to link aid to political support and its willingness to use the withdrawal of funding as a punitive measure. For example, the U.S. cut funding for the UN Relief and Works Agency for Palestinian Refugees (UNRWA) by half in response to Palestinian criticisms of its decision to move its Israeli embassy from Tel Aviv to Jerusalem.¹¹ The U.K., meanwhile, has developed a clear focus on prioritizing commercial ties to foreign partners over humanitarian issues.

The Gulf states' visibility in humanitarian aid could still come as a major benefit to the Gulf countries if they are willing to engage with and learn from professional humanitarian organizations with deep institutional experience, like the UN Development Program or the U.K.'s Department for International Development. However, if the Gulf states continue on their current course, the reputations of all states involved could be damaged and mistrust in humanitarian action could grow.

POLICY RECOMMENDATIONS

- Develop and enhance the cooperation and collaboration between NGOs, multilateral organizations (e.g., the World Bank and UN), and different countries, including the Gulf states, to provide a comprehensive overview of programming and impact and share best practices and concerns.
- Consider mechanisms to limit the risk of politicizing aid delivered by the UN and ensure the political independence of UN bodies (e.g., the Human Rights Council), including through the creation of emergency funds to cover gaps when program support is withdrawn.
- Encourage the Gulf states to create internal, cross-government dialogues on lessons learned at home and abroad that could help improve domestic and international policies on governance and growth while sharing any past lessons learned by OECD players.

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ENDNOTES

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