

## 4.3 NAVIGATING RIVALRIES AND BUILDING ALLIANCES: THE GCC IN A MULTIPOLAR WORLD

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**T**he Gulf Cooperation Council (GCC), founded in 1981, two years after the Islamic regime took power in Tehran, has faced both opportunities and challenges since its inception. In particular, the rift of 2017 was a pivotal moment that nearly fractured the alliance and appeared like the tip of an iceberg. The crisis, often likened to other significant global political events, revealed both vulnerabilities and strengths within the GCC which have since shaped its current dynamics. The resolution of this dispute was not just about restoring diplomatic ties but also about establishing a new framework of cooperation among different Gulf countries based on pragmatism, unity, and shared strategic interests.

### **A more cohesive post-rift era**

Post-crisis, GCC members have demonstrated a stronger capacity for collective action, especially when dealing with global powers and managing regional conflicts. The countries' cohesion is built on a shared identity as monarchies, in which the values of political stability and economic growth have been prioritised as socio-economic challenges have become national security concerns. While individual member states may pursue differing foreign policies, such as in their approach to Iran or Israel, the larger framework of GCC collaboration continues to hold. These policy divergences are relatively minor compared to more severe fragmentations seen in other regions. All countries are moving towards economic ties with different regions, realising that they can gain from their political efforts. The GCC has had strategic meetings with the U.S., China, Russia, Turkey and India, and is set for the largest meeting between multilateral partners with the EU in October 2024, at a time when the Middle East and Europe are in crisis.

### **A multipolar shift: adapting to global realities**

The global order is increasingly defined by multipolarity, where power is distributed across several nations rather than dominated by one or two. This shift presents both challenges and opportunities for the GCC. As global powers like China, Russia, the EU, and the U.S. jockey for influence in the Middle East, the Gulf states have skilfully managed to position themselves as key players in the new geopolitical landscape. According to an analysis by the Carnegie Endowment, the GCC has embraced new trade and diplomatic alliances, particularly with China and India, while also maintaining ties with the West. This balancing act allows the GCC states to navigate global rivalries without being forced to choose sides, a strategy that has enhanced their diplomatic leverage. Saudi Arabia and the UAE, for instance, have diversified their global partnerships, engaging with China on trade and technology while collaborating with the U.S., Korea, and Europe on security and defence issues. These moves are strategic, as they enable the GCC to exert influence over global affairs while avoiding entanglement in great power conflicts. According to a report by Oxford Economics, the GCC economies are expected to see significant growth in 2024, driven by both their energy and non-energy sectors.

### **Energy diplomacy: stability amidst volatility**

One of the most prominent examples of the GCC's influence in a multipolar world is its role in global energy markets. As major energy producers, GCC states have contributed to stabilising energy prices despite rising geopolitical tensions. By pursuing pragmatic policies, especially in the context of OPEC+, GCC states have helped mitigate price volatility and ensure a steady supply of energy. This not only strengthens their economies but also positions them as responsible actors in the global economic system.

The evolving global energy transition, with its push towards renewable sources, adds complexity to the GCC's role. However, Gulf states are increasingly investing in green energy initiatives, balancing their traditional oil revenue with the future demands of a carbon-neutral world. By doing so, the GCC aims to retain its influence even as the global energy landscape transforms. For instance, the UAE hosted COP28, showcasing its commitment to sustainable energy.

### **Engagement with regional conflicts: pragmatic mediation**

GCC states have also established themselves as mediators in both regional and international conflicts, a role that demonstrates their diplomatic agility. For instance, Qatar's successful mediation with the Taliban, Saudi Arabia's involvement in peace talks for Sudan, and Oman's role in U.S.-Iran negotiations, as well as the UAE's success in prisoner exchanges between Russia and Ukraine all highlight the diverse mediation models employed by the GCC. While each state may have its own methods, the collective outcome has been a more peaceful and stable region. According to the Washington Institute, "Gulf states, particularly Qatar and the UAE, have built strong diplomatic channels that position them as indispensable mediators on the global stage".

Moreover, engagement with Iran, despite varied approaches, showcases how the GCC states have worked to manage tensions

with Tehran. By maintaining diplomatic channels, the GCC has helped lower the risk of direct conflict with Iran, thereby contributing to a more stable Gulf region. These engagements have also influenced Iran's internal politics, fostering the rise of reformist elements within its government.

### **Positive competition: economic diversification and collaboration**

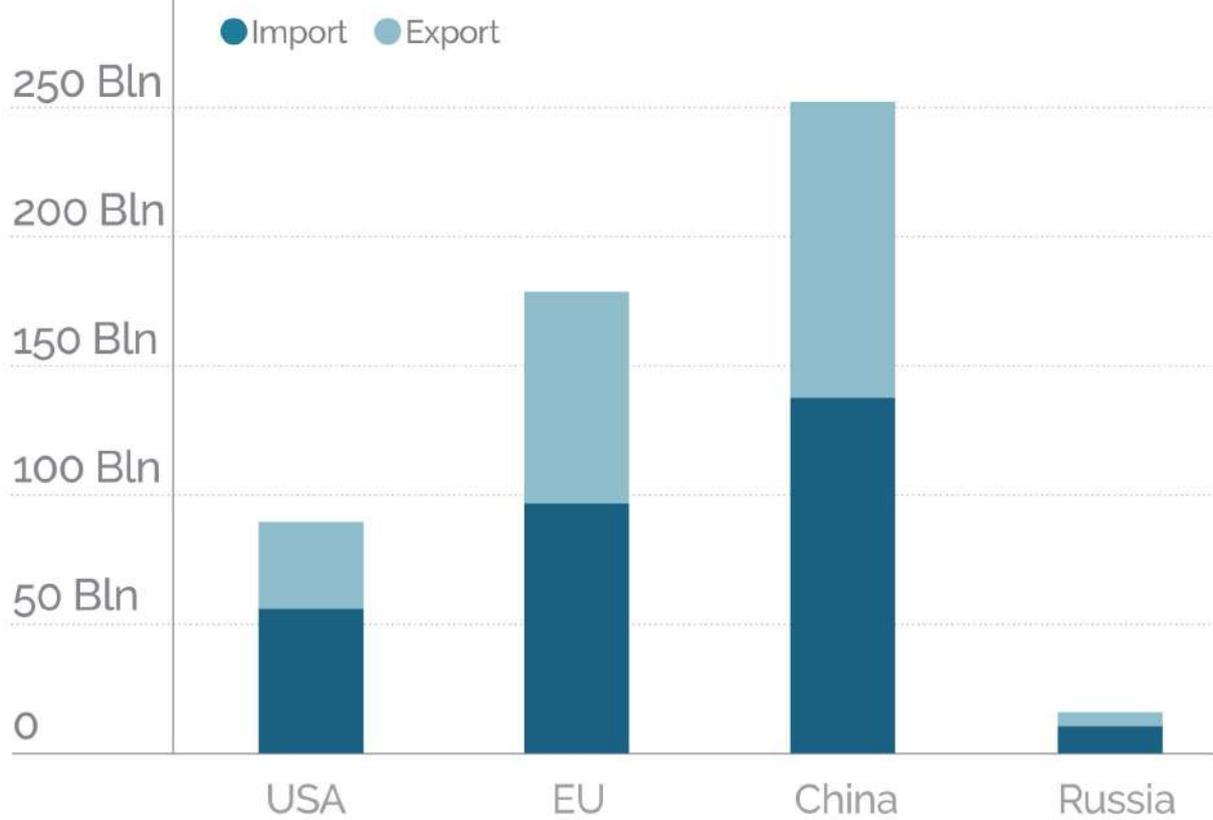
Intra-GCC competition, particularly between Saudi Arabia, the UAE, and Qatar, is often framed negatively. However, this competition has also sparked positive outcomes, particularly in economic diversification. The drive to attract investment, develop tourism, and build knowledge-based economies has benefited the entire region. The development of mega-projects like Saudi Arabia's NEOM and the UAE's advanced tech and finance sectors reflects this. As noted by Oxford Economics, non-oil sectors are set to drive much of the GCC's economic growth in 2024, further cementing the bloc's role in the global economy.

At the same time, competition has been balanced by increased economic cooperation, such as the expansion of intra-GCC infrastructure, connectivity, and trade. This cooperation has further cemented the GCC's place in the global economy as a vital player.

### **A stable path in a multipolar world**

The GCC has managed to navigate a world marked by shifting alliances and great power rivalries by balancing internal differences, deepening partnerships across multiple fronts, and maintaining a pragmatic approach to foreign relations. As the first-ever EU-GCC Summit approaches, it is clear that the Gulf states are more united than ever in their approach to both regional and global affairs. The ability to engage with a range of powers, while maintaining a cohesive regional identity, ensures that the GCC will remain a key player in the multipolar world of the 21st century. Chatham House emphasises that the GCC's ability to maintain cohesion while pursuing diverse foreign policies ensures that it remains a stabilising force in an otherwise volatile international system.

THE GCC FACES CHALLENGES AND OPPORTUNITIES IN A NEW GLOBAL ORDER



**GCC TRADE WITH  
US,EU, RUSSIA AND CHINA  
IN 2023**

■ Source: ISPI Elaboration on data from Italian Ministry of the Interior

