

## Case Study N°3: Juin 2023

### The economic transition of petroleum countries: the case of Qatar

(#Qatar #Environment #Climate Change #Oil #Gas #Exports #Paris Agreement #Greenwashing #Climate Crisis)

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#### Qatar's economy and its international perception

Climate change raises many challenges for governments, which until recently have paid little attention to the climate crisis. The challenge of becoming greener is even greater for countries such as Qatar that depend heavily on a polluting economy. To analyze this challenge, the case of Qatar is taken as an example. Its economy relies heavily on oil and gas exportation (Metz, 1993), both activities that are extremely polluting (Grasso, 2019). In fact, Qatar's general government revenue is strongly based on oil and gas. Even in 2015 when the revenue was at its lowest, oil and gas represented almost 50% of it (CEIC, 2015). Moreover, Qatar was still the 16<sup>th</sup> largest exporter of crude oil (World's top exports, 2022) and the 3<sup>rd</sup> largest exporter of natural gas in 2021 (Pistille, 2022). However, since the Paris Agreement, Qatar, as well as other countries within the Organization of Petroleum Exporting Countries (OPEC), has difficulties selling its reserves following a peak in demand (Van de Graaf, 2022). Furthermore, it is important to remember that any measures taken to be more environmentally friendly must allow Qatar to maintain its influence on the international scene, which is currently maintained by its strong economy (Brannagan, Reiche, 2022). Therefore, Qatar is a highly interesting country to observe in order to understand the mechanisms put in place by governments that aim to achieve a greener economy.

To question Qatar's position on the international stage following the introduction of greener policies, the theoretical approach mobilized in this paper is that of constructivism. Through this lens, what matters on the international stage is not the military, or any other material fact that would prevail (hard power) (Vuving, 2009). Rather, it is the sharing of ideas and values, with great emphasis on context, that is key (soft power) (Lynch, Klotz, 1999). More precisely, the concept of soft power has been described by Joseph Nye as "the ability to obtain the outcomes one wants through attraction rather than coercion or payment" (2008, p.94). The idea is that one can make countries do what one wants by attracting them with different techniques such as "beauty" or "brilliance" (Vuving, 2009, p.7). In the former, when you share values, ideals or visions with other actors, it can draw them closer to you as they perceive you in the role of a protector of those values that you can defend (Vuving, 2009). In the latter, you would gain admiration or respect through a well ruled society, technological

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advancement, a rich culture, or a successful economy (Vuving, 2009). Because the theory is based on non-material assets, “the potential for small states to make an impact on the international state system increases greatly” (Brannagan, Reiche, 2022, p.10) with constructivism. Qatar has a small territory and a small army (Brannagan, Reiche, 2022), so Qatar is a small state, but it has one of the highest GDP’s in the world (Brannagan, Reiche, 2022), so it has a strong and influential economy.

### Why is Qatar’s economy oil and gas-based?

Qatar’s economy developed while the country was under British protectorate, under which exploratory drilling began (Toth, 1993). Oil was discovered in 1939, but exports did not begin until 1949. Regarding the gas industry, exports began in 1971 (Toth, 1993). Qatar being under British protectorate allowed the colonizing country to benefit from the revenues of oil and gas exports, but also allowed Qatar to develop and increase its presence on the international stage, a mechanism often observed in colonization dynamics (Kandioly, 2002). Since Qatar managed to assert itself on the international stage despite being a small country with a small army (Brannagan, Reiche, 2022), it relied on its economic power through the use of soft power which enabled it to gain “brilliance” on the international stage. It also gained “beauty” by sharing values with the Westerns countries, such as concern for the environment.

### What has driven Qatar to transform its economy?

In order to tackle the climate crisis, the 2015 Paris Agreement on climate change aims to maintain climate change “‘well below’ 2°C”, asking states to drastically reduce oil and gas consumption (Van de Graaf, 2020, pp.63-69). What consequences does it have on Qatar?

Firstly, Qatar has experienced very rapid economic growth in recent years (Sillitoe, 2014; World Bank, 2022). Such growth requires a lot of energy, which is highly polluting (Charfeddine, Al-Malk, Al Korbi, 2018).

Secondly, Qatar is an OPEC country, a major oil and gas exporter. However, the burning of oil and gas is responsible for climate change through various processes, meaning that oil and gas companies have strong responsibilities regarding climate change: “the 100 currently operating carbon majors have produced 71% of global industrial emissions since 1988” (Grasso, 2019, p.111). Moreover, it has been demonstrated that if all the oil and gas reserves of the planet were to be burned, it “would bring the planet well above the 2 °C warming target” (Grasso, 2019, p.111). Consequently, Qatar needs to reorient its economy to be in line with the Paris Agreement.

### What is the challenge that Qatar faces while transforming its economy?

Qatar must find new ways to maintain its position on the international stage. Indeed, for a while, Qatar’s international influence was built on its strong economy (Brannagan, Reiche, 2022). Now it needs to demonstrate resilience to overcome the specific shock that climate change policies have caused to the country’s economy. Resilience is defined as the ability to recover and react from a specific shock (Bourbeau, 2016). It can take three different forms. First, resilience can be about maintaining the status quo (Bourbeau, 2016), which is not Qatar’s goal since changes are required in its economy. Second, resilience can be about marginal changes within a policy (Bourbeau, 2016). Third, resilience can be about changing the very bases of a policy in order to renew it (Bourbeau, 2016).

Hence, Qatar would use the climate shock to “cement its position on the global stage” (Brannagan, Reiche, 2022, p.2), by undertaking marginal or complete changes in its policies. Although it is too early to evaluate the breath of the policy changes, we can assert that Qatar is aiming towards change, as engraved in its “Qatar National Vision 2030”. The document regroups the strategic objectives of Qatar, all of which are related to sustainability (General Secretariat for Development Planning, 2008). Sustainability was first defined by the Brundtland Commission (Brundtland Commission, 1988-89) and later understood as the fact of economic development while preserving the social and economic needs of citizens and of future generations through efficient management of resources (Sillitoe, 2014). Sustainability applies to climate conservation (Sillitoe, 2014). Qatar’s goal is, indeed, to develop economically, humanly and socially, by meeting the current and future economic needs of the country, guaranteeing its citizens wealth and well-being while preserving the environment (General Secretariat for Development Planning, 2008).

One way to transform its economy is to diversify it. Even though there are several ways to diversify one’s economy, we will focus here on the strategy of hosting cultural events in order to “acquire (the) state power regionally and globally” (Brannagan, Reiche, 2022, p.47). Indeed, cultural events can be a strong tool to exercise soft power (Vuving, 2009), since they are perceived as a communication mechanism in order to open the country to the international scene (Le Magoariec, 2020). They allow a country to demonstrate shared values or ideologies by showing itself as a technologically, socially and economically advanced country (Vuving, 2009). Qatar, for example, used the 2022 Football World Cup to be in the spotlight and exhibit how advanced it was (by demonstrating its technological and economic strength), and how it shared values, including the preservation of the environment, with Western countries. Indeed, to show its commitment to the ecological cause, Qatar, as a defender of the environment, guaranteed to host a carbon neutral World Cup, which is technologically and economically demanding (Brannagan, Reiche, 2022; Le Magoariec, 2020). Hence, through hosting such events, Qatar attempts to impose itself on the international stage through its culture and values.

With the World Cup, Qatar seemed to have a bright future on the international stage. However, not everything was delivered as promised. Indeed, similarly to what happened in other Middle Eastern countries before (Belkaid, 2016), while Qatar is willing to show its commitment to the climate change issue and develop sustainably, what happened was quite dissonant (Kodmani, 2022). We here take the football World Cup as an illustration. Even though no scientific work has been published so far on the ecological impact of the Cup, we can already observe the consequences of the World Cup on Qatar’s image within different media. Indeed, Qatar has been accused of greenwashing (Kodmani, 2022). Despite promising a carbon neutral event, the NGO Carbon Market Wash already stated that “the Qatari tournament’s climate impact will be unambiguously negative” (Dadura, 2022). For instance, most of the stadiums were built specifically for the competition (Le Magoariec, 2020; Dadura, 2022; Hugo Decrypte, 2022). While FIFA advanced a carbon balance of 3.63 million tons of CO<sub>2</sub> produced during the event, Carbon Market Watch denies those numbers, estimating them to be too low (Carbon Market Watch, 2022). In general, a consensus emerged on the fact that Qatar did not maintain its commitment to sustainable development. While organizing such an event in order to develop itself economically and socially, and to demonstrate itself as a strong international actor, Qatar did not manage to make other international actors forget its environmental impact by promising

a carbon-neutral Cup, with such empty promises such as building reusable stadiums, or create technologies to capture CO<sub>2</sub> emissions (Dadura, 2022).

### What are the consequences on the international scene?

Since the World Cup environmental impact is badly perceived in the media, we can assume that it is be badly perceived by political actors, since media (and public opinion) have a great impact on politics nowadays, notably influencing foreign policy making in a pluralistic way (Robinson, 2016). With this assumption, we can infer that the environmental impact of Qatar's economic diversification, influences badly its reputation in the international arena. Qatar is now internationally perceived as a country using ecology as a shared value to shine worldwide, but also as a country that does not respect its engagements. A contradiction happens whereby Qatar develops policies to appear more ecological while maintaining a strong international position, but is finally considered non-reliable because of the ecological impact those same new policies have. However, the answer is only hypothetical. The scarcity of academic resources on this case so far and the immediacy of the example do not allow us to propose fully robust results.

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