With the world focused on the UN-Iraqi standoff, the fourth annual Middle East/North Africa (MENA) Economic Conference concluded quietly in Qatar earlier this week. As Arab world heavyweights Egypt and Saudi Arabia officially boycotted the proceedings, the MENA summit ended on an ambivalent note: Though viewed as a general success for regional business participants, the event itself was a clear symbol of the dilemma posed for Washington by the linkage established by Arab states between U.S. policy toward Iraq and U.S. policy toward the Arab-Israeli peace process.

Mixing Business with Politics: As expected, politically-infused remarks pervaded the conference's opening session on Sunday as government and organizational leaders expressed both sorrow and anger over Israeli behavior toward the peace process. However, once the ceremonies were over, the theme switched to economics, with the only political overtones couched in economic discussions of such issues as the impact of closures on the Palestinian economy. Indeed, as the conference wore on, the real activity of the conference focused almost exclusively on business and economics, reverting to the overt political themes only when participants' formulated the final communique. This document's affirmation of the commitment to the principle of "land for peace"—a phrase absent from last year's declaration—marked a show of strength for the Arab position.

Winners: Anecdotal evidence suggests that most of the conference's business participants, approximately 900 from 65 countries, were content with the outcome of the event. As has been the case with each of the past MENA hosts—Morocco, Jordan and Egypt—host-country Qatar stood to benefit the most. Indeed, Doha concluded many business agreements with the foreign participants, including the first corporate deal signed in conjunction with the conference—a $825 million joint venture between government-owned Qatar General Petroleum Corporation (QGPC) and the U.S. firm Philips Petroleum. Supplementing the Qatari Amir's repeated assertions that he chose to hold the conference to fulfill Qatar's international commitment and advance the peace process, the Qatari finance minister also expressed hope that the conference would yield "the desired results" to implement investment projects in Qatar. The irony of Arab allegations that the conference would only reward the Israelis and "not be good for the Arabs" was not lost on the attendees.

The Israelis and Jordanians made up the largest visiting regional delegations and, despite strained political relations, proved a positive model for Arab-Israeli business partners. Jordanian delegates prepared an impressive display of business opportunities, many centering on tourism and some in conjunction with Israel. The first day of the conference witnessed the signing of an Israel-Jordan industrial zone project aimed at export to the United States. In addition, the "Century Project" in northern Jordan represented the prize joint venture between Israelis and Jordanians.

Behind Closed Doors: The now common sentiment expressed by potential Arab business partners with Israelis—that they are interested in cutting deals with Israelis but feel pressured by their governments and colleagues not to do so—surfaced at the conference, apparently arising more frequently this year as a result of the peace process impasse. But despite pressure on Arab businessmen not to attend (as suggested, for example, in pre-conference statements by Egypt's President Mubarak), Israelis were also sought after by Arab businessmen, including those from Egypt and other boycotting states. Such contacts occurred on the sidelines of the meeting, both at the conference center and in the city, according to several unofficial sources. This indicates that while the political process is virtually dormant, there remains an alive-but-weak desire for business-to-business contact.

Political Successes for the U.S.?: Although intense U.S. efforts to persuade its Arab partners to attend the conference did not bear fruit, the fact that the conference was held at all in the current climate may be judged a partial success. Further, in terms of numbers, attendance by those countries that did participate was relatively strong, rivaling that of last year's Cairo conference (though this data should be put in perspective as the conference was packed with hundreds of public and private sector Americans). As expected, U.S. officials repeatedly offered the most positive "spin," with Undersecretary of State Stuart Eizenstat using the word "success" on every occasion. Of course, with the larger issues in play—from the dormant peace process to the face-off with Iraq just up the Gulf—the stakes at Doha were small in comparison.

In terms of rallying Arab support in favor of a strong stance against Iraq, Secretary of State Albright's remarks at Doha's opening session did not appear successful; only her comments about the need for advancing the peace process elicited applause. Ironically, the early emphasis she placed in her speech on Iraq, coming to the peace
process only later in her address, seemed to have added to the negative reception by the conference audience, antagonizing Arabs who perceived her speech as too concentrated on the Iraqi stand-off and who viewed her presence in Doha as a mere "stopover" for a more important mission in the Gulf.

The Future of MENA Summits: In the context of a weak peace process, boycotts by regional powers and the deepening antagonism of many Arab states toward U.S. regional policy, the very future of MENA summitry is now in doubt. Unlike previous years, this event did not end with a clear declaration about the site for next year's conference. Instead, the final communique noted that an announcement about the 1998 summit will be made at the World Economic Forum meeting in January. Despite the continuing logic of business-to-business relationships that can survive even tough times in the peace process, the lack of any regional volunteer to serve as host may mean that the concept of regionalism that emerged from the post-Gulf War, post-Madrid era will suffer another blow.

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