

## Business Follows Stability

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Articles & Testimony

In the Middle East, money talks -- but not as loudly as politics. That's the lesson to be learned from the Middle East/North Africa economic summit, which concluded late last month in Doha, Qatar, under the shadow of the Iraq crisis.

For Washington, the two events are connected, with the lackluster Arab presence at Doha and the absence of Arab sympathy for U.S. toughness toward Iraqi leader Saddam Hussein highlighting the mile-wide-but-inch-deep nature of Arab support for overall U.S. policy in the region.

With allies like Israel and Egypt at odds over the peace process, and even Kuwait cautioning Washington against a military confrontation with Saddam Hussein, it is clear that the halcyon days of post-Gulf War U.S. influence in the Middle East are over.

In the Arab world, leaders who always look for the right balance between American exhortations and inducement, on the one hand, and the growing strength of anti-Americanism in the region's media and general public opinion, on the other, are more than ever bowing to the will of the latter.

Similarly, Israel values American friendship and support, but sometimes, when its own national interests or domestic politics intrude, finds itself at odds with its American ally and patron.

The paltry level of regional attendance at Doha illustrated this fact. Despite Washington's repeated entreaties, its two major Arab allies -- Egypt and Saudi Arabia -- boycotted the event altogether. Other regional states, along with Israel, downgraded their delegations.

The bottom line was: not only did Doha underscore the limits of American influence, but it also showed the limits of a novel idea born at the first Middle East/North Africa conference at Casablanca four years ago -- that the entrepreneurial spirit can help overcome political discord.

The sad reality in the Middle East is that economics and business will always take a back seat to politics. Among business-people at the conference, there were mixed feelings toward dealing with Israel. Israeli delegates found themselves sitting alone at meal tables.

With the prominent exception of Jordan, Arab delegates avoided any public interaction with Israelis. Away from the spotlight, however, a number of Arab businessmen, even from countries officially boycotting the event, privately proposed a number of joint projects to their Israeli counterparts.

Regretfully, however, no major regional projects were launched. The only real winners of the conference were the host Qataris, who took the conference as an occasion to announce the signing of numerous deals with American companies.

Some of the blame for the dominance of politics at a conference clearly designed to focus on economics lies with the same U.S. officials who sought to avoid that outcome. Before the conference, Washington blurred the focus of the event by urging states to dispatch foreign ministers to head their delegations, on par with Secretary of State Albright.

She herself added to the political tone of the conference in her opening speech, which dealt largely with the crisis with Iraq and the stagnation of the peace process.

If the closing communique was more political than in past years -- with the inclusion of a direct reference to the need for the implementation of the principle of "land for peace" in Arab-Israeli negotiations -- that's partly because Ms. Albright used that exact language in her speech.

U.S. officials, who are the biggest boosters of the idea of regionalism and the infusion of business and economics into Middle East political activity, should think hard about the lessons of Doha.

Americans invested thousands of hours into preparing for a conference designed to highlight the need for economic rationality in an often irrational part of the world. With the notable exception of innovative Jordanian-Israeli free-trade zones established inside Jordanian territory, however, few practical initiatives received high-level U.S. attention.

One that does is the need for depoliticizing Palestinian economic development and finding sensible solutions to Israeli security demands that wreak havoc on the Palestinian economy.

Rather than expending a great deal of energy on soliciting a volunteer to host next year's conference -- so far, no Middle East country has stepped forward -- U.S. officials would be wise to lay the groundwork for a productive and well-attended conference.

The energy devoted to encouraging regional states to attend the Doha conference must be re-channeled into fostering the kind of low-publicity but high-potential economic projects and investments in the Palestinian territories that can raise both standards of living and hopes.

Sustained American commitment to these types of efforts, which undermine the appeal, and thus the power, of rejectionists and terrorists, represent the only possibility for economic measures to truly facilitate Arab-Israeli peace.

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