

BRIDGING THE GULF:
QATARI BUSINESS DIPLOMACY AND CONFLICT MEDIATION

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Introduction

Our business is not purely commercial. We talk directly to governments.

- Hassan Al-Fadala, Deputy CEO, Qatari Diar¹

The statement above, from an official at a Doha-based real estate developer, takes on increased significance when we consider the fact that Qatari Diar is wholly-owned by the country's sovereign-wealth fund, Qatar Investment Authority (QIA), whose vice-chairman and CEO is Sheikh Hamad bin Jassim bin Jabr al-Thani². Sheikh Hamad is also Qatar's Prime Minister and Minister of Foreign Affairs, and he happens to be the chairman of the board of Qatari Diar as well. It is against this backdrop that this thesis will make the case that Qatar's increasingly active foreign policy, and recent role as a regional mediator, must be seen, *inter alia*, in the light of the business interests and financial capacity of the Qatari ruling family's politicians-cum-businessmen.

¹ "Qatari Diar Company Analysis", Middle East Economic Digest, 19 January 2010

² Sheikh Hamad is consistent in using both his father and grandfather's given names. This might be in an effort to distinguish himself from a former Prime Minister, Sheikh Hamad bin Jassim (bin Hamad), who was sentenced for involvement in a failed coup in 1996, but also as a means of stressing his house and branch within the Al-Thani dynasty. In the interest of space saving and efficient communication, this thesis will refer to him as Sheikh Hamad. Not to be confused with the Emir, Sheikh Hamad (bin Khalifa), who will be referred to as Emir Hamad.

As anyone who has worked in or done research on the Gulf³ can attest to, informal relationships often count as much – if not more – as formal positions and titles. Hence, which collateral branches of the ruling family are present at the airport when the ruler leaves for or arrives from official business is of utmost importance. As are the questions, when considering brothers in the ruling family: are they half or full-brothers? To whom are they married? And, importantly, who is the mother? This thesis will suggest another question essential to understand where power lies in today’s Gulf, and more specifically in contemporary Qatar, namely: who is doing business with whom?

Thus, the central premise of the thesis is that all business in the Gulf is fundamentally political. As Peterson notes, “the old distinction between ruling families, whose place lay in politics and leadership of the state, and merchant families, who concentrated on commerce, disappeared long ago. Ruling family members serve as silent partners in business enterprises or as silent operators.”⁴ This thesis will make the case that this is even more so in Qatar. Due to historical and political reasons, ruling family members are far from silent, and more often operators than partners; hence, constituting a distinct class of “royal merchants.”

As Gause points out, to greater extents than any other royal families in the Gulf “the Al-Thani of Qatar and the Al-Maktoum of Dubai [...] have mixed politics and business since

³ In light of the debate as to whether the Gulf of water separating Iran from the Arabian Peninsula ought to be called “Arabian” or “Persian”, this thesis will be consistent, as are a number of publications such as *The Economist*, in simply referring to it as the “Gulf”.

⁴ Peterson, J.E. “Rulers, Merchants, and Sheikhs in Gulf Politics” in ed. Alanoud Alsharekh, *The Gulf Family: Kinship Policies and Modernity* (London; Saqi Books, 2007): 23-24

coming to power.”⁵ In line with this comparison, the thesis will subscribe to the overall finding from Hvidt’s examination of public-private ties in Dubai, namely that, in light of multiple leadership roles, “the general picture is that a relatively small group of approximately 20 trusted men and to a lesser extent women are heading and thus controlling a significant part of the assets of both public and private firms in the emirate.” This in turn “removes the boundaries between business and government and adds credibility to the saying [...] that ‘government is business, and business is government’.”⁶

The first half of this thesis will try to break down the overlapping fields of business and politics in Qatar, attempting to classify the different branches of the ruling family, and highlight where one finds political and/or business power in Qatar today. The Al-Thani dynasty is considered the second largest ruling family in the Gulf, after Saudi Arabia, with estimates ranging from 5,000 to 20,000 members, which would make up more than ten percent of the country’s local population. However, it is the aim of this thesis to sort this out and identify where we find the contemporary centers of power, and their role in Qatar’s distinct form of “state capitalism”. What is more, this part of the thesis will identify the non-royal actors – the “state capitalist’s protégés” - who are instrumental in shaping both politics and business in Qatar today. In both cases the findings are limited to just a few very well-connected groups.

⁵ F. Gregory Gause, *Oil Monarchies: Domestic and Security Challenges in the Arab Gulf States* (New York: Council of Foreign Relations Press; 1994): 57

⁶ Martin Hvidt, “Public-Private Ties and their Contribution to Development: The Case of Dubai”, *Middle Eastern Studies*, Vol. 43, No. 4 (July 2007): 570-71

Due to the paucity of literature on Qatar in general, and the contemporary nature of the topic under study, the first half of this thesis will primarily be based on research related to the Al-Thani family tree and documentation from Qatari companies, both publicly-listed as well as privately- and state-owned, considering such factors as board members, directors, etc. Other findings will be based to a great extent on the author's empirical experience and knowledge acquired from the region, having served as a diplomat accredited to Qatar in the period 2007-09.

Against the backdrop of overlapping business and political interests in today's Qatar, the thesis will then turn to the country's international relations, and how Doha's peculiar "business diplomacy" – where Qatar uses business to drive its diplomacy, and conversely its diplomacy to protect its business - came about. The second half of the thesis will, thus, examine Qatar's changing foreign policy, from regional backwater to an active diplomatic actor considered both pragmatic and maverick. This will be done against the background of Qatar's changing relationship with both the region and the wider world. These changes will be dealt with both as a part of Qatar's bilateral relations, but also in light of the shifting regional balance of power, in line with international relations theory and foreign policy analysis.

Having established both the overlap of money and politics among Qatar's small circle of decision-makers, as well as the regional circumstances that made Qatar's arrival as an active diplomatic player and eventually as a conflict mediator possible, the final part of this thesis will take into consideration three case studies in which Qatar has been

involved (and in one case, still is involved) diplomatically, namely Yemen, Lebanon, and Sudan. This part will consider Qatari business interests and financial capacity related to each of these countries as possible reasons for Doha's involvement, and – equally important – as means of driving its mediations. Furthermore, it will consider the regional context, and how this contributed to the failure in Yemen, the success in Lebanon, and hitherto something in between with regard to Sudan. This section of the thesis will rely largely on interviews with representatives from both sides in all the three conflicts.

Thus, two broad questions will guide this thesis:

1. What role do business interests and Qatar's financial capacity play in Doha's conflict mediation?
2. How has a changing regional balance of power contributed to Qatar's success and failure in these mediations?

Business and Politics in Qatar

2.1 The Royal Merchants

Qatari merchant families have not played an important role in the country's political history. As Crystal points out, Qatar's "political fragmentation and [small] size [have] produced not only fewer and weaker merchants, but also a less clearly defined division of labor between the political and economic elites."⁷ This point is underscored by the fact that the Emir of Qatar, Sheikh Hamad bin Khalifa Al-Thani, is the seventh richest royal in the world according to Forbes's annual ranking⁸. Meanwhile there is only one Qatari non-royal (ranked number 46) on Arabian Business's 2009 list of "The 50 richest Arabs"⁹, compared to six each from Kuwait and the United Arab Emirates - both comparable states to Qatar.

In their examination of Qatar's public finances, Rathmell and Schulze conclude that, "the regime has refused to make a distinction between the public and private purse. [...] Government in Qatar has always been a family affair and historically there has been no real distinction between the income of the state and the income of the ruler."¹⁰ This trend has been further complicated lately with the rise of sovereign-wealth funds and state-

⁷ Jill Crystal, *Oil and Politics in the Gulf: Rulers and Merchants in Kuwait and Qatar* (Cambridge: Cambridge University Press, 1995): 33

⁸ <http://www.forbes.com/2009/06/17/monarchs-wealth-scandal-business-billionaires-richest-royals.html>

⁹ <http://www.arabianbusiness.com/richlist/list>

¹⁰ Andrew Rathmell and Kirsten Schulze, "Political Reform in the Gulf: The Case of Qatar", *Middle Eastern Studies*, Vol. 36, No. 4 (October 2000): 56

owned or state-backed companies, so-called “national champions.” By no means does this infer that all business in Qatar is focused on the ruling family, rather it is as Crystal concludes, “although Qatar had merchants, it never developed a merchant class.”¹¹

The Al-Mani family, of Najdi roots, and the Darwish, originally Persian Arab, who vied for the ruler’s preference and business prominence in the 1950s and 1960s are still around (Abdallah Darwish’s son, Badr, is the lone Qatari on the aforementioned rich list). As are the Al-Mannai family, which made a name for itself in business in the 1970s and 80s, but they are all mostly co-opted by sheikhly operators and partners. The latter family proves a good example of the business dynamic in contemporary Qatar. Incorporated in 1950, and reaching its peak in the 1980s, Al-Mannai Corporation was acquired by Qatar Investment and Project Development Holding (a company controlled by the *Bani Abdallah* branch of the *Beit Jassim*, which we will return to in the next section) in 2005, and today only one member of the Al-Mannai family serves on the company’s board. A financial scandal might also have contributed to the Al-Mannai’s changing fortunes.

Moreover, ruling family members dominate the state’s business-related institutions and associations. In his examination of business representation and political reform in the Middle East, Moore argues that “Qatari businessmen have succeed in forming autonomous representative bodies or at least in achieving the right to elect their own leaders.”¹² Although elections to the Qatar Chamber of Commerce and Industry (QCCI) is an example of the new Emir’s limited democratization efforts in the 1990s, it is

¹¹ Crystal, Op.cit: 114

¹² Pete W. Moore, *Doing Business in The Middle East: Politics and Economic Crisis in Jordan and Kuwait* (Cambridge: Cambridge University Press; 2004): 187

important to note that the chamber is still headed by an influential member of the ruling family, Sheikh Khalifa bin Jassim, to whom we will return below. What is more, the Al-Thani sheikhs, as we will see, have a parallel institution, the Qatari Businessmen Association (QBA), which is totally dominated by representatives from important branches of the ruling family.

Before considering the inner-workings of the Al-Thani dynasty, it is important to note that the family is far from a united and harmonious group. The ruling family has been exposed to factionalism throughout most of its history, and the leadership is at times susceptible to coups from close relatives (the latest being the current Emir's ousting of his own father in 1995). A split of particular interest to this thesis, and its attempt to break down the family in light of current power realities, occurred towards the end of the rule of Sheikh Abdallah bin Jassim, Qatar's third ruler, in the mid-1940s. Wealth-sharing was a vital component of this dispute, and as Zahlan notes, "a strong division in the ruling family resulted, with Abdallah and his sons on one side, and some of Abdallah's brothers, Abdelaziz and Salman in particular, and his cousins, the sons of Ahmad, on the other."¹³ This split is still, to some extent, part of Al-Thani politics, and it is with this in mind we now turn to the different houses (*beit* in Arabic) of the ruling family, in order to identify the important actors in Qatari business and politics today.

¹³ Rosemarie Said Zahlan, *The Creation of Qatar* (London: Croom Helm; 1979): 95

BEIT JASSIM

The Beit Jassim, or House of Jassim¹⁴, refers to the successors of the oldest son of Qatar's first ruler, Mohammad bin Thani. Jassim bin Mohammad ruled from 1876 to 1913, and it is from this *beit* all successive rulers of the State of Qatar have come (see diagram on p. 78). As a result, the branches stemming from this house have predominantly – but not exclusively – been concerned more with politics than with business. Of Jassim's fourteen sons, five can be considered important branches of the royal family today. These are as follows:

*Bani*¹⁵ *Thani* – Jassim's third son, Thani, had fourteen sons himself, and of these, three may be considered to constitute the "business" faction of this branch (see diagram on p. 78). This faction is headed by Thani's grandson, Thani bin Abdallah, who is invested in Qatar International Islamic Bank (QIIB). His sons, Sheikhs Khalid and Abdallah, are also involved with QIIB, with the former also being a board member of both the Qatar Investment Authority (QIA) and Qatar Exchange, the local stock market in Doha. Sheikh Khalid is also a board member with the aforementioned Qatar Businessmen Association (QBA), which is dominated by another prominent faction of the *Bani* Thani, namely the sons and grandsons of Thani's son Faisal.

Faisal's grandson, Faisal bin Jassim, is the chairman of the QBA and has a number of private businesses, while his uncle, Hamad bin Faisal, is a board member with the

¹⁴ Often also referred to as *Qassim*.

¹⁵ Literally means "*sons of*" in Arabic; used in this thesis to identify a branch, composed of brothers, within the different houses of the ruling family – i.e. the "sons of Thani".

association. What is more, Sheikh Hamad was also the Minister of Economy from 2002 to 2004, and is today invested in, *inter alia*, Qatar Insurance and Khaleej Bank. Hamad's brother, Fahad bin Faisal, is the vice-governor of the Central Bank of Qatar. Other influential members of this faction include Thani's great-grandson, Hamad bin Thamer, who is the head of Al-Jazeera television. Also, Mohammad and Nasser bin Ali, grandsons of Thani's son Saud, are heavily invested in General Contracting and Trading Company, General Insurance and Reinsurance Company, as well as Al-Ahli Bank.

Bani Abdallah – The ruler of Qatar from 1913 to 1949 had only three sons, Ali, Hamad, and Hassan. The successors of these three constitute the most important branch in Qatar today, as this is the branch from which all rulers of Qatar are descendants. Not surprisingly, business interests play a less important role (with some exceptions) than what is the case for the other branches of the family. As a result, other factors, such as marriages across branches and factions, become important in order to assess where the real centers of power are located within this group today (see diagram on p. 79).

Ali bin Abdallah ruled for eleven years, before abdicating to his son, Ahmad, in 1960. Ahmed ruled until 1972, when he was overthrown by his cousin, the current Emir's father, Khalifa bin Hamad. Ahmed then went into exile in Dubai. The Ali faction does not play a high-profile role in Qatari business or politics today, but they are kept onboard in a traditional Gulf manner, namely through the marriage of Ahmed bin Ali's daughter, Sheikha Bouthaina, to Emir Hamad's third son, and former Heir Apparent, Sheikh Jassim.

Thus, it is among the sons of Hamad where the real political power is found in Qatar today. Hamad had nine sons (including the current Emir's father), and of these factions the current Emir and his son, Heir Apparent Sheikh Tamim, are married into three. Emir Hamad's two Al-Thani wives, Mariam bint Hamad and Nora bint Mohammad, are the granddaughter of Mohammad bin Hamad and the daughter of Khalid bin Hamad, respectively, and thus both paternal cousins of the Emir. For his part, the Heir Apparent married Jawaher bint Hamad, granddaughter of Suhaim bin Hamad. Several members from these factions have held ministerial positions since the government reshuffles of 1989 and 1992, which took place when current Emir Hamad was Heir Apparent and at times *de facto* ruler.

Finally, Abdelaziz bin Jassim, Hamad's grandson, has also been kept on board through business and marriage, notwithstanding his brother, former Prime Minister Hamad bin Jassim, who was implicated in a failed coup attempt in 1996. His son, Jassim bin Abdelaziz is a board member of Qatar National Bank, while his daughter, Jawaher bint Abdelaziz, married Hamad bin Abdallah, son of Emir Hamad's powerful uncle and private advisor, Sheikh Abdallah. Hamad bin Abdallah and his brother, Suhaim bin Abdallah, are among the few members of the Bani Abdallah branch with high-profile business interests. The former is a member of Qatar National Bank's board as well as chairman and CEO of Qatar Investment and Project Developments Holding Company (QIPCO), while the latter became his brother's vice-chairman at Al-Mannai Corporation after QIPCO's take-over of the company.

The successors of Hassan, on the other hand, are largely absent from official affairs in Qatar today, with the exception of Hassan's grandson, Hassan bin Khalid, who has the influential role of Secretary to the Emir for Ruling Family Affairs.

Bani Mohammad – Of Mohammad bin Jassim's sixteen sons, only the successors of two of them play high-profile roles in Qatari business and politics today (see diagram on p. 79). The sons of Jassim bin Mohammad certainly were the most prominent of this branch, although a recent death in the family has changed the situation somewhat. Until his death in a car crash in 2009, Fahad bin Jassim was the leader of the Bani Mohammad, serving as both Minister of Commerce and QIA board member. Today, Fahad's brothers, Ali bin Jassim and Khalifa bin Jassim, are managing director of Qatar Navigation and chairman of Qatar Chamber of Commerce and Industry, respectively. What is more, their sister, Rawda bint Jassim, is married into the important Beit Ahmed, which we will turn to below – a marriage which must be seen in light of the aforementioned split within the ruling family in the 1940s. Their cousin, Hamad bin Abdallah, is a Minister of State without portfolio.

Bani Fahad – This branch is solely focused on Fahad bin Mohammad's grandsons, Abdallah bin Saud and Abdelrahman bin Saud, who occupy very important positions in the state administration, while also being involved with the business interests of the state (see diagram on p. 80). Abdallah bin Saud is Governor of the Central Bank of Qatar, as well as a board member at QIA, and chairman of Qatar Development Bank. Abdelrahman

bin Saud is Qatar's former ambassador to the US, and current chief of the Emiri Diwan. His importance is underscored by the fact that he is also a member of the Ruling Family Council. He is involved in business as well, as chairman of Vodafone-Qatar.

Bani Abdelaziz – Three grandsons of Abdelaziz bin Mohammad, one of the protagonists during the 1940s split in the ruling family, play high-profile roles in Qatar today, primarily in politics (see diagram on p. 80). The brothers Khalid and Abdelrahman bin Khalifa are, respectively, head of the Office of the Heir Apparent and Minister of Municipalities and Agriculture. The latter is also a board member of Qatari Diar. Their cousin, Nasser bin Mohammad, is Minister of Cabinet Affairs.

BEIT AHMED

The House of Ahmed refers to the successors of Ahmed bin Mohammad, Governor of Doha and leader of the tribe from 1900 until 1905, when he was killed by his Hajiri servant. Today members of Beit Ahmed are almost exclusively involved in business, but at least one branch is also married into the highest levels of the more political (see diagram on p. 81). Beit Jassim. Sheikha Hind, the Emir's very active daughter, who is also head of his private office, is said to marry a member of the Beit Ahmed in the spring of 2010.¹⁶

Bani Abdallah – The leader of this branch is Nasser bin Abdallah, whose daughter, Sheikha Mariam, is married to the Emir's sixth son, Khalid bin Hamad. Nasser bin

¹⁶ "Royals Watch", *Gulf States Newsletter*, Vol. 34, No. 870 (29 January 2010): 6

Abdallah's son, Sheikh Abdallah, is a big businessman with interests in, *inter alia*, Al-Khaleej Insurance and Reinsurance Company and Doha Bank. His cousin, Abdallah bin Ahmed, married into the important Bani Mohammad branch of Beit Jassim.

Bani Nasser – The leader of this branch is Nasser bin Falah, grandson of Nasser bin Ahmed. Both he and his sons have a range of business interests, including Commercial Bank, United Development Company, Doha Insurance, Al-Safa Islamic Bank, and Al-Wataniya Restaurants. One of his sons, Ahmed bin Nasser, is a former minister and chairman of the board of the national telephone company, Qtel.

Bani Khalid – This branch was previously headed by Nasser bin Khalid, a former Minister of Economy, who led the ruling family's take-over of merchant interests in the post-independence period. He has a number of private business interest, not least the Qatari conglomerate Nasser bin Khalid and Sons (NBK), where both his sons and daughter, high-profile businesswoman Hanadi bint Nasser, play important roles. Today the branch is led by his second son, Nawaf bin Nasser, who is a prominent businessman in his own right. Sheikh Nawaf is chairman of Doha Insurance, a member of the board of the Qatari Businessmen Association (QBA), and head of the Qatari-French Business Club.

BEIT JABR

The House of Jabr¹⁷ refers to the successors of Mohammad bin Thani's third son, Sheikh Jabr, who did not get involved to the same extent as other parts of the family in the split of the 1940s. Beit Jabr has never been in serious contention for leadership of the country. Instead, the two main branches of the Beit Jabr have opted for business, and are today the dominant businessmen in Qatar. They have combined this with a number of high positions in government (see diagram on p. 81).

Bani Jassim – The leader of this branch is without a doubt, Prime Minister and Minister of Foreign Affairs, Sheikh Hamad, whom we will return to below in a separate section (2.2 The State Capitalist). Other prominent members of this branch include: Hamad bin Jabr bin Jassim, Secretary-General of the Planning Council, who is also a board member of Qatar National Bank and Qatar Electricity and Water Company; Jabr bin Yousef bin Jassim, a former head of the Foreign Minister's Office and an important member of his entourage; Sheikh Hamad's brothers, Falah bin Jassim, a former minister, and Nawaf bin Jassim, chairman of National Hotels and Qatari Diar board member, are also considered among Qatar's most prominent royal merchants. These Bani Jassim members' ascent to both political and business prominence may have been helped to no small extent by the fact that their sister, Rawda bint Jassim, married the former Emir, Sheikh Khalifa bin Hamad.

¹⁷ Often also referred to as *Jabor* or *Jabir*.

Bani Mohammad – The sons and grandsons of Mohammad bin Jabr, who was a minister in the 1970s, have extensive business interests. Abdallah bin Mohammad and his sons control, *inter alia*, Zad Holding (formerly Qatar Flour Mills), Al-Khaleej Insurance, and Doha Bank. The most active members of this branch today are the cousins of Sheikh Hamad, to whom we now turn.

2.2 The State Capitalist

As part of “the large and complex phenomenon of state capitalism” – which Bremmer describes as “trends [that] are reshaping international politics and the global economy by transferring increasingly large levers of economic power and influence to the central authority of the state” – one can identify “four primary actors: national oil corporations, state-owned enterprises, privately-owned national champions, and sovereign-wealth funds (SWFs).”¹⁸ Few countries fit the label of state capitalism better than Qatar, and few fit the role of a state capitalist better than Prime Minister and Minister of Foreign Affairs, Sheikh Hamad, through his multiple roles as a politician-cum-businessman.

In addition to his ministerial positions, Sheikh Hamad is a member of both the Supreme Council for the Investment of the Reserves of the State and the Ruling Family Council. As part of his commercial interests, he is vice-chairman and CEO of the sovereign-wealth fund Qatar Investment Authority (QIA), and chairman of its direct investment arm, Qatar Holding. Furthermore, he is the chairman of QIA’s wholly-owned real estate arm, Qatari Diar, while also sitting on the board of Qatar Energy and Water Company. The very pronounced overlap of the state capitalist’s interests is underscored by The Financial Times, which argues that Sheikh Hamad “leads the QIA’s investment strategy but often invests his own wealth in similar deals to the QIA’s.”¹⁹ Thus, as one Qatari government employee told this author in Doha: “He owns the country.”²⁰

¹⁸ Ian Bremmer, “State Capitalism Comes of Age”, *Foreign Affairs*, Vol 88, No. 3 (May/June 2009): 40-41

¹⁹ “Man in the News: Hamad bin Jassim Al Thani”, *Financial Times*, 21 June 2008

²⁰ Author’s interview, January 2010.

A good example of the state's involvement in business in Qatar was on display in the aftermath of the recent global financial crisis. As a result of the crisis, and insecurity in the local and regional markets, the Qatari government bought stakes in eight major banks in March 2009. In addition, QIA arranged a USD 5.3 billion package to improve the ailing equity portfolio of local banks, as well as USD 4.1 billion to buy their domestic real estate portfolios.²¹ Both of these operations were done on the watch of the state capitalist, Sheikh Hamad, in his role as both CEO of QIA and the main player responsible for government policy.

Another important aspect of Qatari state capitalism is Sheikh Hamad's heavy reliance on a few trusted allies, as well as the role of his relatives, including his own sons, in the Qatari business sphere. His oldest and most active son, Sheikh Jassim, is chairman of Qatar Islamic Bank (QIB), in which QIA has a 20 percent stake. He is also chairman of Qinvest, an Islamic investment banking company, while serving as a director with Qatar Insurance Company, and as board member with Qatar Navigation. Another son, Sheikh Jabr, is a board member with Doha Insurance Company, while Sheikh Fahad bin Hamad is the vice-chairman of Gulf Warehousing Company.

Based on the business interests, such as board memberships, of his close relatives (brothers, nephews, and sons) alone, Sheikh Hamad's Bani Jassim branch of the Beit Jabr is represented on close to half of the 46 companies listed on the local stock market, Qatar Exchange. This reach will no doubt be even more evident if we include companies, either

²¹ Mark Farha, *Success Strategies of Small States: The Development of Qatar, Switzerland, Lebanon, and Singapore in Comparison* (Georgetown University SFS-Qatar paper, draft copy): 28-9

established as part of the QIA portfolio or in which it has substantial shareholdings. Thus, public-private ties seem to be an essential part of Sheikh Hamad's state capitalism, resulting in what Hvidt alluded to above with regard to Dubai, namely that government becomes business, and business becomes government. Here we may see a parallel to efforts by the new generation of Qatar's leadership to consolidate their position in other areas.

In his discussion of NGOs, charities, and other aspects of civil society in Qatar, Kamrava argues that "the state has ensured that its own institutions make non-state related institutions irrelevant. [...] One of the driving forces behind the states institutional proliferation has been the effort to populate the new institutions with individuals loyal to the Emir."²² A somewhat similar trend seems to exist in the business sphere, only there the individuals are first and foremost loyal to the state capitalist and the institutions that fall under his personal control, Beit Jassim's investment vehicles, or under the purview of QIA's portfolio (see chart on p. 82). It is with this in mind that we now turn to Sheikh Hamad's non-royal allies.

²² Mehran Kamrava, "Royal Factionalism and Political Liberalization in Qatar", *Middle East Journal*, Vol. 63, No 3 (Summer 2009): 412

2.3 The State Capitalist's Protégés

A defining characteristic of Sheikh Hamad's leadership, both politically and commercially, has been the increased reliance on a limited number of close allies, often non-royals, who can be found in all sectors of governance. The marked reduction in the number of royal family members in the government, from a high (and GCC record) of 17 at the turn of the century²³ to just nine in today's cabinet, is a good example of this trend. These protégés are limited to a few well-connected families, to whom we shall now turn our attention.

THE AL-MAHMOUD

The Al-Mahmoud belongs to the Mazarie branch of the Bani Tamim tribe – to which the Al-Thani also belongs - and members of the clan can be found in the United Arab Emirates, Saudi Arabia, Bahrain, as well as in Qatar. Family members in Qatar have risen to great prominence, both in business and politics, as part of the new Qatari leadership's post-1995 consolidation process. This is especially the case with the sons of Abdallah bin Zaid Al-Mahmoud and their children.

Ahmed bin Abdallah Al-Mahmoud, a career foreign service officer, was promoted to Minister of State for Foreign Affairs in 1995, and has gradually taken on a very high-profile role, not least after Sheikh Hamad was made Prime Minister, while retaining the post of Foreign Minister. Ahmed bin Abdallah's daughter, Shaikha bint Ahmed Al-

²³ Peterson, Op.cit: 22

Mahmoud, was appointed as Minister of Education in 2003, as the first female cabinet member in the Gulf. In 2009 she was replaced by her cousin, Saad bin Ibrahim Al-Mahmoud. The current education minister's father is another of Abdallah's influential sons, Ibrahim bin Abdallah Al-Mahmoud.

Ibrahim bin Abdallah is an official at the Emiri Diwan, while also having business interests. Representing Brooq Commercial Company, he is a member of the board of directors of Qatar Insurance Company, on which, as we have seen, both Sheikh Hamad's son, Jassim, and Beit Jassim's Bani Thani branch are represented. His first son, Abdelaziz bin Ibrahim, is a media personality in Qatar, with experience as editor both with Al-Jazeera and Al-Arab newspaper. It is another son, Mansour bin Ibrahim, however, who is a protégé of the state capitalist *par excellence*. In addition to serving as QIA's head of risk management, he is the director of Sheikh Hamad's CEO office. What is more, he is a board member at Qatar National Bank, part of the Qatari Diar board's executive committee, and CEO of Qatar Development Bank.

Other sons of Abdallah bin Zaid Al-Mahmoud, include Ali bin Abdallah, Qatar's long-serving ambassador to Saudi Arabia; Abdelatif bin Abdallah, Managing Director of Qatar Islamic Bank, which is chaired by Jassim bin Hamad, the state capitalist's son; Faisal bin Abdallah, Minister of Awqaf and Islamic Affairs in the mid-2000s; Saud bin Abdallah, Director of International Cooperation in the Ministry of Interior; Abdelaziz bin Abdallah, Director of Research in the Qatari Armed Forces.

THE AL-SAAD

The Al-Saad is a prominent Qatari business family. Their involvement in Qatar's state capitalism, however, is much more limited than that of the Al-Mahmoud, and their role is restricted to the commercial sector. Nevertheless, one person in particular from the family qualifies to be labeled as a protégé of the state capitalist, namely Ghanim bin Saad Al-Saad. He is the CEO of Qatari Diar, which is wholly-owned by QIA and chaired by Sheikh Hamad. In addition, he is chairman of the board of First Finance, on which Sheikh Hamad's son, Mohammad, is also a member. What is more, Al-Saad is chairman of the board of Barwa Real Estate Company and Barwa Bank, of which QIA owns 45 percent. His brother, Dr. Hamad Saad Al-Saad, is a board member of Gulf Warehousing, where Sheikh Fahad, another of the Prime Minister's sons, is the vice-chairman.

2.4 The Semi-Sheikhly Al-Attiyah

The Al-Attiyah comes from the same tribal lineage as the ruling Al-Thani, the Bani Tamim, and they are without a doubt the second most prominent clan in Qatar today. Crystal describes their position as “once near equal to the Al-Thanis”²⁴, and they have close marriage ties to the ruling family. Both Abdallah bin Jassim and his son Ali, Qatar’s third and fourth rulers, respectively, married Al-Attiyah wives. As did Khalifa bin Hamad, and the current Emir is the son of this non-royal wife. With oil came inevitable disturbances in the relationship between the two clans. Indeed, Herb notes that the Al-Attiyah, “in the great raids on the treasury at the beginning of the oil era by the sheikhs of the Al-Thani, themselves claimed a right to allowances from the oil income.”²⁵

As their claim to sheikhly allowances failed Al-Attiyah family members adopted two different strategies, some decided to cut their losses and join the government. As a result, Mohammad Al-Attiyah became Qatar’s first police officer and later army chief of staff, with relatives awarded the posts of public works minister, director of the Heir Apparent’s office, ambassador to Iran, and other high positions. Mohammad’s brothers, on the other hand, chose the opposite approach and began actively opposing Al-Thani rule, leading demonstrations and engaging in a variety of legal and illegal opposition activities in the late 1950s and early 1960s. Brothers Hamad and Khalifa Al-Attiyah were particularly active in the opposition²⁶. The relationship has since improved and sons of all three Al-

²⁴ Crystal, Op.cit: 154

²⁵ Michael Herb, *All in the Family: Absolutism, Revolution, and Democracy in the Middle Eastern Monarchies* (State University of New York Press; New York, 1999): 56

²⁶ Crystal, Op.cit: 154

Attiyah brothers mentioned above, as well as other branches of the family, today occupy key positions in the Qatari government. The Al-Attiyah are also heavily involved in business.

The Al-Attiyah wife of Khalifa bin Hamad died in childbirth, while giving birth to the current Emir. As a result, Emir Hamad grew up in close contact with the Al-Attiyah family on his mother's side. He grew particularly close to Abdallah bin Hamad Al-Attiyah, who is the most prominent member of the semi-sheikhly clan today. This childhood friend of the Emir is currently Minister of Energy, Electricity, and Water, which he was appointed in 1999, after having served in a number of governmental positions. His importance in Qatar today was underscored by his appointment as Second Deputy Prime Minister in 2003, and subsequent promotion to Deputy Prime Minister in 2007. He is also the head of Qatar Petroleum and chairman of the boards of Industries Qatar and Qatar Gas Transportation Company (Nakilat), in addition to other board memberships.

Also hailing from the *Bani Hamad* of the Al-Attiyah is Abdelrahman bin Hamad, a former Qatari diplomat, who has been serving, since 2002, as Secretary General of the Gulf Cooperation Council (GCC). He is also an active businessman, and sits on the board of United Development Company, the important company behind the construction of The Pearl real estate project in Doha. A third brother, Ali bin Hamad, is also an important player in the construction industry, whose son, Hamad bin Ali, currently serves in the important position as Chief of Staff of the Qatari Armed Forces.

The importance of the *Bani Hamad* notwithstanding, it is among the sons of Mohammad that we find state capitalist Sheikh Hamad's primary protégé from the semi-sheikhly Al-Attiyah, namely Dr. Khalid bin Mohammad. He is currently State Minister for International Development as well as acting Minister of Business and Commerce. Additionally he sits on the boards of QIA, Qatari Diar, and the important Qatar Energy and Water Company, and is the chairman of the board of Qatar Exchange, the stock market in Doha.

Among the sons of Khalifa, the third important Al-Attiyah brother of the turbulent 1950s and 1960s, Abdallah bin Khalifa is the most prominent. He is currently a Minister of State without portfolio, and has in the past held a number of important positions related to the new generation of Qatar's leadership, including director of the Heir Apparent's Office, Minister of Foreign Affairs, and Chief of the Emiri Diwan. He has vast business interests, and is, *inter alia*, director at Commercial Bank, and vice-chairman of both the United Development Company and Qatar Insurance Company boards of directors.

Regional Peacemaker

3.1 Qatar's International Relations

At the turn of the of the 21st century, when Doha's foreign policy activism shifted gear, a UAE academic, Abdul Khaleq Abdulla, noted that "Qatar has emerged as the unlikely maverick member of the GCC. It is fiercely asserting its unilateral foreign policy strategy vis-à-vis Iran, Iraq, and even Israel without undue regard for other GCC states' interests and sensitivities."²⁷ It is the intention of this part of the thesis to argue that Qatari foreign policy in many ways is as pragmatic as it is maverick. Such an argument needs to be seen in light of Qatar's relation with its neighbors and the wider world, as well as Qatar's changing political economy and the promise and peril of sitting on top of the world's largest natural gas field. Additionally, the changing regional balance of power from the mid-2000s onwards has resulted in increased attention being drawn to what the Qataris proudly profess as their "independent" foreign policy, and has facilitated Qatar's arrival as a regional mediator.

Ever since the bloodless palace coup by the current Emir against his own father in 1995, Qatar has tried to carve out a niche for itself in the Gulf region. The years following this change of leadership may be seen as an intense campaign by the new leadership to move Qatar out of the shadow of Saudi Arabia, and put Doha on the map. This era, which may

²⁷ Abdul Khaleq Abdulla, "The Gulf Cooperation Council: Nature, Origin, and Process" in ed. Michael C. Hudson, *Middle East Dilemma: The Politics and Economics of Arab Integration* (New York: Columbia University Press: 1999): 167

be referred to as a “decade of branding”, included the establishment of Al-Jazeera and the hosting of major regional and international conferences and sporting events, such as the ministerial conference for the on-going WTO Doha trade round and the 2006 Asian Games. Additionally, Qatar took not insignificant steps towards democratization and reforms, and as Rathmell and Schulze conclude, “Emir Hamad [...] used these reforms as a means by which to assert Qatar’s autonomy and distinctiveness from his GCC neighbors.”²⁸

However, in light of the Bush administration’s waning democratization agenda in the region, Kamrava notes that also in Qatar, “both the rhetoric and pretext of democratization were abandoned.”²⁹ The parliamentary elections, stipulated in the 2003 constitution, have hitherto been delayed three times. Coincidentally, Al-Jazeera, the supposed beacon of free speech and critical coverage created a backlash, not only with other Arab governments, but also with the Americans, especially over its coverage of the wars in Iraq and Afghanistan. As a result, Qatar had to look for another way of distinguishing itself in the Gulf. This is where regional conflict mediation gradually became Doha’s new “brand”.

Qatar’s move into conflict mediation was the culmination point in a long process of carving out an independent foreign policy, which started even before the current leadership came to power in 1995. It was in this period in the early 1990s, when the current Emir was still Heir Apparent, albeit often *de facto* leader, that the seeds for future

²⁸ Rathmell; Schulze: Op.cit: 53

²⁹ Kamrava, Op.cit: 416

independent policies were planted. Many of Qatar's independent foreign policy stances throughout the 1990s were also often related to its difficult relations with its neighbors. As Burrowes notes about the Yemeni civil war of 1994, Qatar's "refusal to side with the South during the civil war in 1994 can be traced directly to its border conflict and other problems with Saudi Arabia."³⁰

At the turn of the century a confident Sheikh Hamad, commenting on the GCC and Gulf diplomacy, noting that, "we [...] consider differences in opinion a healthy sign that furthers joint efforts."³¹ In 2002 Qatar took over the role of Secretary-General of the GCC. At the same time, Qatar set its eyes on prominence also outside of the Gulf. After chairing the Organization of the Islamic Conference (OIC) for three years from 2000 to 2003, Qatar took over the chairmanship of the G77 (plus China) in the United Nations General Assembly in 2004. This process of international activism was crowned in 2005, with Doha winning a rotating seat on the Security Council, on which it served for two years in the period 2006-07.

Accompanying this period of multilateral engagement on the international scene, the Qataris, in 2003, adopted a new and permanent constitution, which stipulates that: "the foreign policy of the State is based on the principle of strengthening international peace and security by means of encouraging peaceful resolution of international disputes

³⁰ Robert D. Burrowes, "The Yemeni Civil War of 1994: Impact on the Arab Gulf States" in ed. Jamal Al-Suwaidi, *The Yemeni War of 1994: Causes and Consequences* (London: Saqi Books; 1995): 77

³¹ Louay Bahry, "Interview with H.E. Sheikh Hamad bin Jassem bin Jabr Al-Thani, Foreign Minister of Qatar", *Middle East Insight* (September-October 2000): 45

[...]”³², making Qatar one of the few countries in the world which has “peaceful resolution” of disputes inscribed in its actual constitution, and not merely as a more loosely referred to foreign policy principle.

There is little doubt, however, that Qatar’s increasingly independent foreign policy in the 1990s would not have been possible without the hard-power guarantee provided by the US. This guarantee was a direct result of the Gulf War. Prior to Saddam Hussein’s invasion of Kuwait, Gause notes that, “the Gulf monarchs preferred to have American forces ‘over the horizon’. [As] the Gulf War eliminated this reluctance”³³ Qatar started the process of moving in under the US security umbrella. Initially with the signing of a defense cooperation agreement in 1992, which culminated with the transfer of the Central Command from Prince Sultan Airbase in Saudi Arabia to Al-Udaid, outside the Qatari capital, a decade later.

Qatar invested over USD 1 billion to construct the Al-Udaid air base during the 1990s, without having an air force of its own at the time.³⁴ In addition to housing the US Central Command for the Middle East, which is responsible for the wars in both Iraq and Afghanistan, another installation on Qatari soil, Camp As-Sayliyah, is the largest pre-positioning facility of US military equipment in the world. Sheikh Hamad has made no secret about the reason for inviting the US to Qatar, stating in an interview with “60

³² Permanent Constitution of the State of Qatar, Article 7

³³ F. Gregory Gause, *The International Relations of the Persian Gulf* (Cambridge University Press; Cambridge, 2009): 127

³⁴ Christopher M. Blanchard, *Qatar: Background and U.S. Relations*, CRS Report for Congress (24 January, 2008): 10

Minutes” in 2003, that “we need a superpower to be with us, because of the wealth we are going to have in the very near future.”³⁵

The wealth, which Sheikh Hamad refers to, is of course linked to the North Field, the world’s largest natural gas field, which Qatar shares with Iran. The first phase of the field’s exploitation was inaugurated in 1991, and it has since made Qatar the world’s largest exporter of liquefied natural gas (LNG) and the world’s richest country with a GDP of above USD 80,000 per capita. It is against this backdrop Dargin concludes, that “the prospects for LNG were the impetus that moved Qatar to economic and security partnerships outside the Saudi oil orbit.”³⁶

Qatar’s ability to step out of the Saudi orbit was also a result of what Ehteshami and Hinnebusch describe as the Gulf War’s “redefining of the MENA regional system: it freed Arab regimes from Pan-Arab constraints and enabled them to pursue their own state interests [...]”³⁷ Sheikh Hamad echoed this view in an interview with Charlie Rose, arguing that “there is a difference, especially the big country for many years they dominate the foreign policy of the region, and we as a small country with the others we think that we have our opinion, our own will, and our people have their own wishes, so we start taking our own line, [...] and we look after our interest.”³⁸

³⁵ <http://www.youtube.com/watch?v=6kU9gkmmxg&feature=related>

³⁶ Justin Dargin, “Qatar’s Natural Gas: The Foreign Policy Driver”, *Middle East Policy*, Vol. 14, No. 3 (Fall 2007): 140

³⁷ R. Hinnebusch and A. Ehteshami, “Patterns of Policy” in (ed.) R. Hinnebusch and A. Ehteshami, *The Foreign Policies of Middle East States* (Boulder: Lynne Rienner; 2002): 339

³⁸ <http://www.charlierose.com/view/interview/1468>

This interest is no doubt tied to domestic politics and popular opinion. As a result, Nonneman points out that Qatari-American relations have often been subject to “omni-balancing”, in which Doha is “maintaining some distance from the US by contrary policies”³⁹ due to domestic (and regional) political concerns. Thus, as Sheikh Hamad’s description of the bilateral relationship at a Council on Foreign Relations event in 2005 makes clear, “we view our relationship in the context of the concept of strategic partnership, which enables us not to hesitate to declare our agreements and differences on positions and policies. We have no reluctance in offering sincere advice to the United States [...].”⁴⁰

The ambivalence that characterized Qatari-American relations during the Bush administration, when Doha was left out of most top officials’ trips to the Gulf, have changed with President Obama coming to power in Washington. The new US administration seems more interested in engaging Qatar and taking advantage of its independent foreign policy. Secretary of State Clinton stated, after meeting Sheikh Hamad in Washington in January 2010, that “we’re going to listen and consult with those who have long experience in Yemen, such as Qatar does – both His Majesty, His Excellency, and others – and work together [...].”⁴¹ While a State Department background note confirms, that “Qatar and the United States coordinate closely on regional diplomatic initiatives.”⁴² It is against this background of Qatar’s American hard-

³⁹ Gerd Nonneman, “The Three Environments of Middle East Foreign Policy Making and Relations with Europe”, in (ed.) G. Nonneman, *Analyzing Middle East Foreign Policies* (New York; Routledge: 2005): 20

⁴⁰ http://www.cfr.org/publication/8878/conversation_with_sheikh_hamad_bin_jassim_bin_jabr_althani_rush_transcript_federal_news_service_inc.html

⁴¹ <http://www.state.gov/secretary/rm/2010/01/134671.htm>

⁴² <http://www.state.gov/r/pa/ei/bgn/5437.htm>

power guarantee that we now turn to the region's shifting balance of power, Qatar's relationship with important regional actors, and how they have impacted Qatari diplomacy, and more recently, Doha's conflict mediation.

3.2 Shifting Balance of Power

A defining aspect of Qatar's foreign policy since stepping out of the Saudi orbit has been its perimeter perspective. As Noble notes, the post-Gulf War period has seen an "expanding regional reach/activity of the perimeter powers"⁴³, in many ways reshaping the Arab system into a Middle Eastern system with Iran, Turkey, and Israel in important roles. Qatar has strived to maintain relatively good relations with all three, and as Da Lage points out, "the Emir's actions reveal constants in the politics of Qatar that have apparently been influenced by the Omani model: maintaining good relations with the United States, Iraq, and Iran no matter what happens and establishing significant relations with Israel."⁴⁴

Sheikh Hamad outlined Qatar's policy vis-à-vis Iran at a symposium in Washington as early as 1994, noting that "our policy is that Iran is a close neighbor. We have agreed with them to have good relations and we are interested in keeping that good relationship."⁴⁵ Doha's policy has been more or less consistent since that time, no doubt due to the shared North Dome/South Pars gas field, and there are frequent high-level visits between Doha and Tehran. Alternatively, Qatar also took an active role in the Arab-Israeli peace process in the 1990s, and has had a number of high-profile dealings with

⁴³ Paul Noble "From Arab System to Middle Eastern System?: Regional Pressures and Constants" in (ed.) Korany; Dessouki, *The Foreign Policies of Arab States* (Cairo; American University in Cairo Press: 2008): 99

⁴⁴ Olivier Da Lage, "The Politics of Al Jazeera or the Diplomacy of Qatar" in (ed.) Zayani, Mohamed, *The Al Jazeera Phenomenon: Critical Perspectives on New Arab Media* (Paradigm Publishers; Boulder, 2005): 56

⁴⁵ "Foreign Minister Al-Thani Defends Independent Foreign Policy", *Middle East Insight* (January/February 1994): 43

Israel.⁴⁶ Finally, relations with Turkey have steadily grown stronger, especially since the ruling AK party came to power in Ankara.

Locally, the past decade has been characterized by Qatari attempts at reconciliation. This process started with Doha accepting the International Court of Justice's ruling on the long-running conflict between Qatar and Bahrain over the Hawar Islands. The ICJ ruled in 2001 that the islands belong to Bahrain, which Qatar accepted gracefully. Relations with the United Arab Emirates have also improved significantly, not least due to the Dolphin pipeline that brings Qatari gas to the UAE (and Oman). Reconciliation with Saudi Arabia was longer in the making, but a visit by Emir Hamad, accompanied by Al-Jazeera's (source of much bilateral conflict) chairman Sheikh Hamad bin Thamer of Beit Jassim's *Bani Thani* branch, to Jeddah in September 2007, set in motion a process leading to Saudi King Abdallah's participation at the GCC summit in Doha at the end of that year. Since that time, a number of steps towards reconciliation have been taken.

Following the Saudi lead, the end of 2008 also saw Jordan's King Abdallah and Queen Rania visit Qatar. As a result, the Jordanian ambassador returned to Doha, as did the envoy of Tunisia around the same time. The two countries had been in conflict with Qatar over Doha's voting in the UN on a new Secretary-General (Jordan's candidate was defeated by Ban Ki-Moon, to whom the Qataris had promised their support) and Al-Jazeera's programming, respectively. This reconciliation meant that Qatar, at the end of 2008, was on relatively good terms with practically all the Arab states, except for Egypt.

⁴⁶ Uzi Rabi, "Qatar's Relations with Israel: Challenging Arab and Gulf Norms", *Middle East Journal*, Vol. 63, No. 3 (Summer 2009): 448-49

The problems with Egypt were not for want of trying. Discussing a reconciliation meeting in early 2009 between Syria, Saudi Arabia, and Egypt in Riyadh, a Qatari government employee describes how the Qatari leadership “was practically waiting in the airplane with the engines running, but the telephone never came.”⁴⁷ It is widely believed that Egypt blocked the Emir’s attendance. Thus, the ongoing spat with Cairo must be seen as much as a symptom of Egyptian sensitivities at a time when all eyes are on its presidential succession. As a result, the country has been largely sidelined in a Middle Eastern system that has undergone significant changes to its regional balance of power over the last few years.

As part of these changes, Khaled Hroub argues that “George W. Bush in an inimitable way succeed in his aim of creating a ‘new Middle East’ – albeit one that is almost opposite to the outcome he had in mind.” For Hroub “the Gaza war can be seen in part as the culmination of America’s short-sighted Middle East policy in the 2000s [resulting] in the emergence of new realities in the region, where pro-Western Arab countries (Egypt, Saudi Arabia, and Jordan in particular) are [...] being forced to take harder stances as their ‘moderation’ is exposed as ineffective.”⁴⁸ Qatar played a high-profile role during the Gaza war by hosting a controversial emergency summit in Doha, and has been at the heart of the new realities emerging in the regional system.

Just as Qatar’s process leading to its independent foreign policy and international activism was a result of many years of gradual change, so was the shift in the regional

⁴⁷ Author’s interview, January 2010

⁴⁸ Khaled Hroub, “*The Arab System after Gaza*”, Open Democracy, 27 January 2009, <http://www.opendemocracy.net/article/the-arab-system-after-gaza>

balance of power. Against the backdrop of a collapsed peace process and Iran's nuclear ambitions, the Bush administration engaged in pitting one faction against another in both Palestinian and Lebanese politics, and more generally dividing the region into so-called "moderate" and "resistance" camps as part of what Gause describes as a "serious 'cold war' between Tehran and Washington."⁴⁹

This policy proved counterproductive, and in contrast to the Bush administration's prediction of a "new Middle East" shaped by US policies (Secretary of State Rice referred to the 2006 war between Israel and Hezbollah as its "birth pangs"), the last couple of years saw a gradual American withdrawal from important Middle East scenes, with the exception of Iraq, where it had its hands full with counter-insurgency and the military "surge". This absence led to what Agha and Malley describe as "deep alterations in the regional balance of power [...] in which traditional US allies [...] are progressively upstaged by more dynamic players."⁵⁰ In other words, a window of opportunity was created for Qatar (and Turkey) to fill in the vacuum left by the traditional players in Middle Eastern politics.

The year 2006 was in many ways when the tectonic shift in the balance of power occurred, and Qatar embarked on policies which positioned Doha favorably vis-à-vis the so-called "resistance" camp. After Hamas's electoral triumph in the Palestinians elections in early 2006, Qatar joined Russia and Iran in announcing provision of funds to the

⁴⁹ Gause, Op.cit: 168

⁵⁰ Hussain Agha and Robert Malley, "How Not to Make Peace in the Middle East", *The New York Review of Books*, Vol. 56, No. 1 (15 January 2009)

Palestinian Authority despite the Israeli-Western embargo against it.⁵¹ In the summer of 2006 Hezbollah achieved its self-declared “divine victory” in its war with Israel. Qatar played an active role both during (in the UN) and after (through reconstruction) the war, and its voting record on the Security Council was generally sympathetic to Syria, Hezbollah, and Iran, who were all subject of important resolutions during Doha’s two-year term on the council.

By the summer of 2007, Hamas had taken over the Gaza strip, and US policy in Lebanon had proven equally futile, as the political crisis in Beirut remained unresolved. The gradual American withdrawal, which followed, from these regional flashpoints coincided with new French activism in the Middle East. And, as we will see in the case studies below, President Nicolas Sarkozy’s ambitions and leverage proved crucial for the success of Qatari mediation attempts in the region. France has had a central role in Qatar’s post-independence international relations, and the country provides Qatar with 80 percent of its arms. However, relations were difficult after the coup in 1995, as the current Emir was backed by the British and other allies against his pro-French father, who decamped to the French Riviera with much of Qatar’s exchequer.⁵²

Hence, the generational change in Paris was to Qatar’s relatively young leadership’s liking, and there have been very frequent visits between Doha and the French capital since Sarkozy came to power. French-Qatari success, as we will see, vis-à-vis Lebanon

⁵¹ Mark N. Katz, “Russia and Qatar”, *Middle East Review of International Affairs*, Vol. 11, No. 4 (December 2007): 2

⁵² “Qatar always has Paris as Al-Thani consolidate at home and abroad”, *Gulf States Newsletter*, Vol. 33, No. 867 (2 December 2009): 16

and Syria in 2008, led to both Emir Hamad and Syria's President Assad playing prominent roles at the opening of the Union of the Mediterranean, and subsequent Bastille Day festivities, in Paris in the summer of 2008. A confident Sarkozy then took it upon himself to negotiate on behalf of the EU during the war between Russia and Georgia later that summer, and there was even talk of a new regional order in the Middle East.

The best example of this new – however ephemeral – regional order took place in Damascus, where the presidents of France and Syria, the Qatari Emir (accompanied by Sheikh Hamad), and Turkey's prime minister convened a high-profile quadripartite summit in early September 2008. As we shall see, it was no coincidence that the Qatari involvement in Darfur came as a result of these changes to the regional balance of power, and was spawned by this particular summit of newly confident regional actors. Qatar's participation at this summit, and its conflict mediations which must be seen against the background of these alternative actors rise within the regional system, underscore Doha's unique ability to have one foot in each camp in a deeply divided region.

As part of the “branding” experience, which Qatar has been undertaking since the mid-1990s, Peterson explains how the state “should exploit a unique niche whereby [it] provides a service or commodity that benefits neighbors, the region, or the broader world.”⁵³ Qatar's service, due to its relatively good relations with Iran and reconciliation with Saudi Arabia, is its ability to bridge the gap – within and outside the Gulf – in an

⁵³ Peterson, J.E. “Qatar and the World: Branding for the Micro-State”, *Middle East Journal*, Vol.60, No.4, Autumn 2006): 741

increasingly polarized Middle East. It is with this in mind that we now turn to Doha's three most prominent mediation attempts: between the Yemeni government and Shiite Zaydi rebels, known as the Houthis, who have fought six wars on-and-off since 2004 in the north of the country; between Lebanon's Western-backed March 14 movement and the Hezbollah-led March 8 group, backed by Syria and Iran, after fighting brought Beirut to the brink of civil war in May 2008; and between Darfuri rebel groups and the central government in Sudan, who have been in open conflict since 2003.

3.3 Case 1: Yemen

BUSINESS DIPLOMACY

Qatar, in light of its improved political economy at the turn of the century, showed interest in Yemen as an investment destination as early as 2000, when then-Heir Apparent, Sheikh Jassim, visited Sana'a for the tenth anniversary of Yemen's reunification, and discussed investment and cooperation possibilities.⁵⁴ Qatar's most significant investments since have been in the real estate sector, and the Sheikh Hamad-controlled Qatari Diar has established the Yemeni-Qatari Real Estate Investment and Development Company through a joint venture with the wholly-owned real estate investment company of the Yemeni government, General Holding Corporation for Real Estate and Investment Development (Shibam Holding).

Qatari Diar and Shibam Holding are developing Al-Rayyan Hills, a USD 600 million mixed-use community development in Sana'a. This project was launched at the same time as Qatar's mediation in Yemen was announced, further underscoring the link between business and diplomacy. Both of these announcements took place during a visit by the Emir and Sheikh Hamad to Sana'a in May 2007. Doha is also involved in the construction of Al-Saleh Medical City in the capital, a Qatari funded project with a total value of USD 280 Million. What is more, a Yemeni-Qatari joint insurance company, based on the real estate model has been set up, with Doha Insurance providing 40 percent

⁵⁴ Jacob Abadi, "Qatar's Foreign Policy: The Quest for National Security and Territorial Integrity", *Journal of South Asian and Middle Eastern Studies*, Vol. 27, No 2 (Winter 2004): 35

of the capital. Doha Insurance has on its board, as we have seen, Sheikh Hamad's son, Jabr, as well as Qatar Chamber of Commerce and Industry chairman, Sheikh Khalifa bin Jassim, from the important *Bani Mohammad* of the Beit Jassim.

A number of Qatari banks are also active in Yemen, in which the ruling elite and their non-royal allies have substantial business interests. Qatar Islamic Bank, in which QIA has a 20 percent stake and which is chaired by Sheikh Hamad's son, Jassim, is operating in Yemen through Thadamon Islamic Bank. Doha Bank, which is controlled by the *Bani Mohammad* of Sheikh Hamad's *Beit Jabr* and in which QIA also has a 20 percent share, is also present in the country through the Cooperative and Agricultural Bank. As is Qatar National Bank, which is 50 percent owned by QIA and which counts, as shown above, Sheikh Hamad's nephew, Hamad bin Jabr, as well as the state capitalist's primary protégé, Mansour bin Ibrahim Al-Mahmoud, among its board members.

Yahia Al-Houthi, Yemeni rebel leader Abdelmalik Al-Houthi's brother, who negotiated on behalf of the group in Doha in 2008, acknowledges Qatar's business interests in Yemen, stressing that "we do not oppose any assistance they might provide to Sana'a, of course we understand that. This is a normal relationship between two Arab countries."⁵⁵ Of greater interest to Al-Houthi, who is the group's exiled spokesperson in Germany and a former member of parliament, is the Qatari pledge to finance reconstruction in their area. The International Crisis Group concludes that the core of the 2008 Doha agreement was "Qatar's pledge to finance reconstruction and launch major development projects in

⁵⁵ Author's interview, December 2009

Saada, possibly to the tune of \$300 million-\$500 million, although the figures were never released.”⁵⁶ This pledge apparently reassured the Houthis:

Qatar is linked to the Yemeni regime like any other Arab country. But the Qataris have tried to render a service to the Yemeni people, and that is an attempt to halt atrocities and fighting. They even declared that they were ready to provide the financial support for the reconstruction. And of course, we do trust the Qataris in this, albeit the strong relationship that links Qatar to the regime in Yemen. There is a rational and it is acceptable.”

The strong relationship between Qatar and Yemen, mentioned by Al-Houthi, is also touched upon by Abdelkarim Al-Eryani, the former Prime Minister of Yemen and current Special Advisor to President Ali Abdallah Saleh. Qatar did not join the other GCC states in punishing Yemen after Sana’a sided with Saddam Hussein during his invasion of Kuwait. This meant that Doha played a special role during Yemen’s short civil war in 1994, when it was the only GCC state to support the central government in what used to be North Yemen, and not the secessionists in former South Yemen. Al-Eryani does not hesitate to praise this independent policy stance by the Qataris:

This role of Qatar is the most appreciated role. Without them, probably Yemen would have been partitioned. This is highly appreciated, no doubt, and even with the average man. You can ask an average man, what do you think of Qatar’s role during the war of secession, they will say they were the only country that stopped secession.⁵⁷

Al-Eryani, who negotiated on behalf of the government in Doha, also points to Qatari business in relation to their involvement in the Saada mediation, noting that, “there is

⁵⁶ International Crisis Group, *Yemen: Defusing the Saada Time Bomb*, Middle East Report, No 86 (27 May 2009): 22

⁵⁷ Author’s interview, February 2010

politics in everything. [And] many people here in Yemen were thinking that the Qataris will abandon the real estate project because of the failure [of the mediation]. I don't eliminate any political ulterior motives, but I think the Qataris look at investment opportunities first and foremost." Al-Eryani added that, "of course, to be able to mediate you have to have money. And the best policy for a small country, in my view, to have an effective foreign policy is to go and mediate conflicts. That is the best way."

Commenting on the overlap of business and politics in Qatar, and Doha's great attention to the Horn of Africa-Yemen complex in light of possible energy security concerns related to their LNG shipments to Europe, Al-Eryani argues that, "as you know, Qatar is a small country, and institutions are not yet there, solid institutions that operate the country regardless of any changes or any personal role. So Qatar is a family-run country." As for energy security and the export routes going through Yemen's neighborhood, Al-Eryani makes the point that, "politically they are involved, no question, in Eritrea, in Somalia, in Sudan, and that is part of their foreign policy strategy to make Qatar present, which is a legitimate strategy."

REGIONAL CONTEXT

Having established the role of Qatari business interests in Yemen (see chart on p. 82), the possible usage of its financial muscle to rebuild the Saada region, and possible energy security concerns related to the sea lanes of the area, we now turn to the other possible reasons for Qatar's mediation attempt in Yemen. The involvement, as Yahia Al-Houthi

sees it, “whether it comes as an attempt to counter-balance the presence or force of the Saudis in the region, or whether it is because of its openness, and everybody knows that Qatar is open even to Israel, there are a number of reasons to explain the interest for Qatar to mediate in Yemen.”

Al-Houthi alludes to a possible “branding” motive, noting that “perhaps because Qatar has such financial resources, and because it enjoys a history of relative calm rule, it wanted to assure for itself a prominent role and a central role for itself in the region, that might be the reason.” This was echoed by Al-Eryani above, in his argument about Qatar pursuing a “legitimate strategy” of being present. Al-Houthi then goes on to defining the difference between the “good” and “bad” dictatorships of the region, placing Qatar in the former category (pointing, *inter alia*, to the “commendable” treatment of its Shiite population), before explaining: “a good dictatorship is one that intervenes when the cause of intervention agrees with its own interests. Thus, Qatar has sought to provide good offices in a number of areas. [...] As long as the causes of the small movements [the Houthis, Darfuri JEM, etc.] do not contradict Qatar’s interests, it intervenes.”

What these interests are, is not elaborated on, and one may assume that they can include anything from the aforementioned business and energy security aspects to Qatar’s perceived rivalry and regional competition with Saudi Arabia. What Al-Houthi does elaborate on, however, are his thoughts on a Saudi role in torpedoing the Qatari mediation:

Now, you ask me why it [Qatar] wasn't as successful in Yemen as it was in Sudan or Lebanon, the reason is simply that the Lebanese and Sudanese causes were already established in the international arena, unlike the Yemeni causes, which is directly linked to the wishes and whims of Saudi Arabia. As long as Saudi Arabia does not give the green light, it will not happen, regardless of what Ali Abdallah Saleh wishes. On the contrary, in this case Saudi Arabia did put hurdles in order to avert this mediation effort, simply because it does not want Qatar to be a central player in the area.

The regional aspect of the “cold war” which Gause points to above - pitting Saudi Arabia and Egypt against Syria and Iran - was close to its peak around the time of the Doha negotiations between the Houthis and Sana'a in early 2008. These negotiations coincided with, and must be seen in light of, that spring's Arab League Summit in Damascus, where both Saudi Arabia and Yemen's representation was limited. Al-Houthi offers the following explanation against the background of the fighting in the Saada province in northern Yemen:

In 2008 there was the Arab Summit in Damascus, and Ali Abdallah Saleh intended to go, but the Saudis told him not to, and gave him money, insisting that he should carry on fighting. Now, Ali Abdallah was tired of this warfare, but the Saudis insisted. So the only way for him to get out of this embarrassment vis-à-vis the Qataris was to arrange for a motorcycle carrying a bomb to be placed in front of a mosque in Saada. [...] Thus, he provided for himself an excuse to launch the fifth war.

There is little doubt that Doha's diplomacy was a wake-up call for Riyadh, and similar narratives of Saudi scuttling of the mediation emanate from a number of authors. Shehabi argues that “when the Qataris brokered a peace deal [...] the Saudis were furious, and urged the Yemeni authorities to continue the military attacks,”⁵⁸ while a Yemeni

⁵⁸ Saeed Shehabi, “The Role of Religious Ideology in the Expansionist Policies of Saudi Arabia” in (ed.) Madawi Al-Rashid, *Kingdom Without Borders* (Hurst; London, 2008): 191

Consultative Council member confirms that “Qatar’s intervention infuriated [the Saudis].”⁵⁹ Others have argued that Qatar’s role was “unacceptable to the Saudi rulers, who fear that submitting the conflict to outside mediation would diminish the kingdom's regional power”⁶⁰ and that Saudi Arabia was “torpedoing the Qatar negotiations to limit the influence of that small emirate in its traditional backyard.”⁶¹

The International Crisis Group concludes that the Qatari diplomacy in Saada “ran afoul of Saudi Arabia’s perceived interests, [and that] some inside the Kingdom’s leadership allegedly undermined the effort.”⁶² As a result, a distinction between what is official Saudi policy, and what is a result of factional or private maneuvers by certain princes, may have been lost in the fog of war in the Yemeni highlands. This possibility must be seen in light of what AbuKhalil has called the “foreign policy of the King, and then the foreign policies of the Sudairi princes.”⁶³ Al-Houthi points to the Sudairi princes as responsible for scuttling the mediation, and for meddling in Yemen more generally:

The group that really constitutes this nucleus of opposition against any change in Yemen is made up of Prince Sultan, Prince Nayef, Prince Khalid bin Sultan, that group rather than the King Abdallah himself. They have taken such an interest in Yemen and Yemeni affairs that they even established a specialized committee that provides for all action related to Yemen. [...] The reason that those Saudis do not want the Houthis to establish or make any change in Yemen, is that any change will affect the presence of Saudi Arabia in Yemen, which is a long-standing one. [...] For the Saudis it is very important to maintain the status quo of a collaborative and servile regime to the Saudis within Yemen. They do not care at all about the social or economic situation of the Yemeni people.

⁵⁹ ICG, Op.cit:17n

⁶⁰ Mai Yamani, “Saudi Arabia goes to war”, *The Guardian*, 23 November 2009

⁶¹ Pierre Bernin, “Les guerres cachées du Yémen”, *Le Monde Diplomatique*, October 2009

⁶² ICG, Op.cit: 27

⁶³ <http://angryarab.blogspot.com/2009/11/who-rules-saudi-arabia-foreign-policies.html>

Interestingly, Al-Eryani, when presented with Al-Houthi's comments as well as the International Crisis Group report and its conclusion, simply responds "I refer you to this report. You can quote them and that is enough." As for Al-Houthi's claim that Saudi Arabia pressured President Saleh not to attend the Arab Summit, Al-Eryani's response is, "I honestly have no idea whether that is true or not, but the Houthis, as you know, are against the president and he will say anything that suits him." However, Al-Eryani later acknowledges that some of the issues discussed above may be true:

I should be honest, and the compromise which we reached and I was involved in [in Doha in early 2008], was not highly, or completely supported, it had the support of the president, but others were not very happy with it. And it could have been external influence about not to allow the Qataris to come back.

Al-Eryani's linking of the lack of support within the Yemeni government with a possible external influence becomes all the more clear when he later elaborates: "It was not with Qatar, this unhappiness. It was internal, internal balance of power, and has nothing to do with, not because it was Qatar." This rivalry within the Yemeni elite must be seen within the context of Saudi influence in Yemen, as all actors are more or less connected to their big neighbor to the north. Possible Saudi meddling and internal power struggles notwithstanding, Al-Eryani has his own reading of why the mediation failed: "If you want my personal opinion, the Qatari mediation was not very welcome in many quarters here, but the real sabotage came from the Houthis." Commenting further on the faith of the Doha agreement Al-Eryani explains:

As a matter of fact that agreement was implemented in a very step-by-step way, until we reached, they should abandon a mountain very near to the city of Saada. Many things in that agreement were implemented, until we reached the point of this mountain. That mountain, the Houthis balked on evacuating it. And that created a crisis in the military, because they claim that that mountain is very strategic and they must go down from it. The Qataris, at one moment, tried to convince the government and the leadership that they would stay there for six months and then evacuate it. Anyway for military reasons that proposal by the Qataris did not develop, was not acceptable to our side.

It is interesting to note that Al-Eryani refers to the government *and* the leadership, while pointing to a crisis in the military. This might explain further the internal disagreements concerning the Doha negotiations, and Saudi Arabia's possible role in the breakdown of the agreement. Especially since Gen. Ali Mohsen Al-Ahmar, commander of the Northern Battalion and responsible for the war in Saada, is often pitted against President Saleh and his son, Ahmed, in Yemen's looming presidential succession. Like other members of the prominent Al-Ahmar family, Ali Mohsen is considered close to the Saudis. He was also actively involved in the later stages of the Qatari mediation, especially the Doha agreement. Al-Eryani goes on to explain what he means by Houthi sabotage:

The only step left for a peaceful solution, if the Houthis left this mountain, was for the Houthis to go to Qatar for six months, which they accepted in the first negotiation. Abdelmalik Al-Houthi, Abdelkarim Al-Houthi, and I think Yahya Al-Houthi was supposed to join them from Germany. I believe the reason they balked on this mountain, was at the same time a big leader of their war, [Abdallah] Al-Ruzami, was supposed to leave, he is a tribal sheikh. And I believe, in my view, the reason they balked, was because the next step for them was to go to Qatar and that produced the fifth war.

I have my own opinion, that the problem with the condition that the Houthis should go to Qatar, was that we included Al-Ruzami. And Ruzami is a tribal sheikh, while the Houthis are what we call in Yemen *hijra*, Hashemite, they can leave the people and go. But a tribal sheikh to abandon his people and go to Qatar, in my view, this is tribal view, was practically impossible. And this is why, this mountain, they balked on it because the next step was, Qatari aircraft comes and takes them to Doha. This is my private interpretation.

The fifth war was produced because they refused to abandon the mountain. I should be honest, that the Qataris did not feel they deserve what followed. Then this is how it all transpired, the fifth war, then the ceasefire, and the sixth war. And after all this happened with the mountain, the Qataris never came back.

The Qatari mediation attempt in Saada was certainly not flawless, not least because, as the International Crisis Group concludes, “the initiative essentially amounted to throwing money at a problem, hoping it would disappear.”⁶⁴ However, in light of Saudi Arabia’s virtual monopoly on foreign intervention in Yemen and its decision to get actively involved militarily in the Saada war in November 2009, Al-Houthi’s conclusion - referring to Qatar teaming up with partners and co-opting potential spoilers, as we will see, in subsequent mediations - points to a reality in which Qatari success was perhaps impossible from the very beginning:

The fact that Qatar co-opted in other conflicts and resorted to assistance or bringing aboard a third party has been rather clever, it guaranteed success of those efforts on occasion. However, when it comes to Yemen I really don’t think that any such third party exists.

It would not be long, however, before Doha got another chance at conflict mediation with both regional and international reach. This occurred in May 2008 in Lebanon, where

⁶⁴ ICG, Op.cit: 23

Qatar's unique position in a polarized regional system would play a key role. It is with this in mind that we now turn to Qatari business diplomacy in the Levant.

3.4 Case 2: Lebanon

BUSINESS DIPLOMACY

In 2007, at the height of the Lebanese political crisis, Qatar was the fourth largest investor in Lebanon.⁶⁵ A number of Qatari sheikhs and businessmen have investments in Beirut, in addition to owning villas and apartments all over the country. The most prominent business interests are Qatari Islamic Bank's (QIB) involvement with the Beirut-based Arab Finance House and Qatar General Insurance's investment in the Lebanese Canadian Bank. QIB is, as we have seen, chaired by Sheikh Hamad's son, Jassim, and its managing director is Abdelatif bin Abdallah Al-Mahmoud, brother of the State Minister for Foreign Affairs. As for Qatar General Insurance, it is controlled by members of the influential *Bani Thani* branch of Beit Jassim.

In light of Syria's historic role in Lebanon and the role of Damascus's allies in the Lebanese crisis of 2006-08, as well as the fact that Qatar's initial diplomatic involvement in the Levant, as we will see, was part of a French effort to engage Damascus, it makes sense to also include Qatari investments in Syria as part of this investigation (see chart on p. 82). One may assume that a possible motive for engaging Damascus and attempting to bring it in from its regional and international isolation, was the possibility of improved business opportunities in a rehabilitated Syria, both for existing and future investments. In any event, Qatari business interests in Syria was, as will become clear below, a crucial reason for Qatar's success in getting Syria onboard for the Doha agreement.

⁶⁵ Farha, Op.cit: 26

Syria is among the biggest recipients of Qatari investments in the region, and real estate is the dominant sector. Qatari Diar CEO, Ghanim bin Saad Al-Saad, has hinted at Qatari investments in Syria “to the tune of USD 12 billion”⁶⁶ over a five year period. The Al-Saad-managed and Sheikh Hamad-controlled Qatari Diar has so far completed a USD 350 million complex, the Ibn Hani Resort, in Latakia on Syria’s Mediterranean coast. It is also in the process of developing an even larger project in Damascus, and has set up its own subsidiary, Qatari Diar Syria, in the Syrian capital. As part of their joint efforts, the two countries have also established the USD 5 billion Qatari-Syrian Holding Company, to invest in real estate, tourism, and industry projects.

Qatari banks and insurance companies are also very active in Syria. Qatar National Bank Syria (QNBS), is owned 49 percent by QNB, and is headquartered in Damascus, while Syria International Islamic Bank, Syria International Insurance Company, and Syrian-Qatari Takaful Insurance are all under the Qatar International Islamic Bank (QIIB) umbrella. QIIB, in which QIA has a 20 percent stake, is as we have seen controlled by the influential Abdallah bin Thani of Beit Jassim’s *Bani Thani* branch. Sheikh Abdallah is also a board member with QIA and the Qatar Exchange, the Doha stock market, and emerges as an important player in Qatari business diplomacy vis-à-vis the Levant. General Insurance Company, connected to the *Bani Thani as well*, is also present in Syria, through its abovementioned investment in the Lebanese Canadian Bank, which counts Syrian Trust Insurance as part of its portfolio.

⁶⁶ “Qatari Diar launches \$350 million project in Syria”, *Gulf Times*, 28 February 2008

The Qataris are not only active on the ground in Lebanon and Syria, they have also used its contacts in the Levant to court potential partners and investors, particularly Lebanese, for high-profile developments at home in Doha. As one senior Arab diplomat, with experience from both Lebanon and Qatar, points out:

The Qataris have been cultivating relations in Lebanon for years, especially the Prime Minister, Hamad bin Jassim, and members of his entourage, such as his nephew Sheikh Jabr, head of the Qatar News Agency [*Author's comment: Sheikh Jabr bin Yousef bin Jassim bin Jabr Al-Thani is, as we have seen above, a former head of QNA and former director of the Foreign Minister's Office, who accompanies Sheikh Hamad on many of his trips abroad*]. They have also brought a lot of Lebanese into The Pearl project in Doha, both as investors and contractors.⁶⁷

Dr Farid El-Khazen, a member of parliament from the March 8-affiliated Free Patriotic Movement and part of FPM leader Michel Aoun's delegation to Doha for the May 2008 negotiations, echoes this view. According to Dr. El-Khazen, "the Qataris have built good relations with many Lebanese leaders, not only the Emir and the Foreign Minister, but also others who come to Lebanon frequently. They know the Lebanese elites, and this is significant [for the success of their mediation]."⁶⁸ Of equal significance to Dr. El-Khazen is the Qataris cultivation of good relations with Syria and the Lebanese opposition, stating that, "after the 2006 war they were welcomed by Hezbollah, and they already had links, or assets if you like, otherwise no one would listen to them. This includes the rebuilding of parts of South Lebanon, and their open channels." Dr. El-Khazen goes on to comment on Doha's relationship with Damascus, alluding to the close personal ties and Qatari business interests in Syria:

⁶⁷ Author's interview, February 2010

⁶⁸ Author's interview, March 2010

Without this link they could not have done anything, of course. This is a combination of personal good relationship and also some other interests. Otherwise they have no leverage, why should they have leverage? This is the key to the whole thing. And they were perceived as being, more or less a neutral, at a time when relations between Syria and Saudi Arabia were extremely bad. The key to the Qatari role was Syria.

A former senior UN official in Lebanon also alludes to Qatar's "significant financial capacity, and how they have muscles in that area, which they seem to have used in a strategic way."⁶⁹ This view is also echoed by Hani Hammoud, Lebanese Prime Minister Saad Al-Hariri's media advisor. Hammoud, who was Hariri's negotiator in the pre-Doha ceasefire negotiations in Beirut and a member of his delegation to Qatar, argues that "it is clear that the good relations Qatar had with Syria, whether it is by strategy or by facts on the ground, did play an important role."⁷⁰ In addition to Qatari investments and "facts on the ground" in Syria, Hammoud echoes Dr. El-Khazen's point that Qatar has used its financial capacity in a strategic way to cultivate good relations with Hezbollah, arguing that:

If you want to be using your financial clout to become a mediator, just for that, you will have to be paying off all sides. In that case, I am not saying they paid off the other side, but their contributions, because of the 2006 war and because of many other reasons, were mostly perceived as going to one side. So they did use their financial clout perhaps to capitalize on the good relations.

Thus, we can conclude that not only were Qatar's investments in Lebanon and Syria – and the need to protect them in the former and improve their opportunities in the latter (by contributing to bringing Syria out of its isolation) – a plausible motive for Doha's

⁶⁹ Author's interview, February 2010

⁷⁰ Author's interview, January 2010

involvement in the Levant, but equally important the Qataris were able to use its financial capacity to drive its diplomacy. In doing so, they were able to bring important players (Hezbollah) and potential spoilers (Syria) onboard their mediation effort. It is with this in mind, that we know turn to the regional context.

REGIONAL CONTEXT

As we have seen, Qatar has gone through a decade and a half of “branding” since the new leadership came to power. This exercise in putting Qatar on the map, can be seen as a possible motive also for Qatar’s conflict mediation, as the Yemen case showed. As a result, we cannot avoid but also seeing Qatar’s involvement with the Lebanese crisis against this backdrop. Commenting on the reasons for Doha’s mediation in Lebanon, Dr. El-Khazen explains:

Qatar has had an active foreign policy, and has wanted to play a leading role in the region, partly because of the competition with Saudi Arabia. This is a decision by the Qatari leadership, and to use their resources. So this is the combination, leadership, decision by the leadership, rivalry with Saudi Arabia, and the resources, in order for Qatar to project its role in the region. And of course, it has been involved in many issues, not only Lebanon. It is in Sudan, with Hamas, the Palestinian issue, and this is a decision by the leadership, leadership objective.

This “branding” argument is echoed by Hammoud, who alludes to Qatari efforts elsewhere, and the lack of other actors engaging in regional diplomacy. Commenting on Qatar’s initial involvement, Hammoud argues:

It was clear, that Qatar like most of the other Arabs, saw the situation in Lebanon as unacceptable. And they saw the need for results. Whether they had other motivations, whether they wanted to see themselves as the center of Arab diplomacy, and taking on a forthcoming role of resolving all Arab disputes, as we know they are in Darfur, they are in Yemen, so perhaps, but this is very legitimate, and frankly commendable that somebody is doing these mediations.

In order to become the center of Arab diplomacy, which Hammoud alludes to, one must be able and willing to talk to all parties. Thus, it is important at this point to note that Saudi involvement in Lebanon was driven by quite different actors from those who possibly scuttled Qatar's mediation in Yemen. Instead of the Sudairi brothers, it has been King Abdallah's close ally, Prince Muqrin bin Abdelaziz, Director of General Intelligence, as well as Saudi Ambassador to Beirut, Abdelaziz Al-Khoja, whom the King later appointed minister in his government, who orchestrated the kingdom's policy in Lebanon, and the Levant more generally.

The fact that, as part of the post-Doha reconciliation between Saudi Arabia and Syria, King Abdallah sent his own son, Prince Abdelaziz, on a private mission to Damascus, underscores the emergence of the Levant as the domain of King Abdallah and his allies. In combination with the King's reconciliation with Qatar from September 2007 onwards, this might explain why Qatar was able to get the Saudis onboard with the Doha agreement for Lebanon, unlike the Yemen mediation. Riyadh's final approval of Qatar's mediation came when the Qatari leadership traveled to Dammam for the GCC Consultative Summit on May 20, while the Lebanese were still negotiating in Doha. That summit produced a declaration in which the GCC collectively supported the Doha

negotiations. Hammoud explains how Qatar was able to talk to all sides, both locally and regionally:

It is clear that Amr Moussa, among the Arab countries called mostly on Qatar, because Qatar had the possibility to talk to everyone, both on the local Lebanese scene, but more importantly on the regional scene. The Qataris were able to talk to both sides in Lebanon at that time, because there was no reason for our side not to talk to them, and they had established a good relationship with the other side. Mostly with the Shiite side, thanks to their generous contributions to rebuilding what had been destroyed in the 2006 war, and due to a very mediatic visit to the southern suburbs immediately after the war. And on the regional side, they were among the Arabs the ones that had the best possible contact with Iran at that time. And of course they had good relations with Syria, who were the regional backers of those who had taken over Beirut and the Mountain by force. So this is why they played this role, and we are all thankful for this.

Hammoud's gratitude towards the Qataris indicates that their role must be considered not only successful, but also, as Dr. El-Khazen alludes to above, more or less neutral. This is confirmed by the former senior UN official, who concludes that the Qataris "did not make themselves conspicuous. They were not simply an extended arm of Syria." Hammoud elaborates on Qatar's neutral role and how it, combined with the realization among the Lebanese parties that a solution was imperative, made the Doha negotiations conducive to an agreement:

When we moved to Doha, all of us, they played a role that clearly was one of honest broker, meaning they were able to earn the trust of both sides, and at the same time they were able to leverage on both sides, which allowed them to find a solution. So there was a meeting of elements, their ability to talk to both sides, their ability to talk to regional patrons, and the need, the necessity, for both sides in Lebanon, to reach an agreement.

Dr. El-Khazen echoes the view that it was the severity of the crisis in Lebanon, coupled with a particular situation in the region, which made it possible for the Qataris to get involved. And to do so almost as a default mediator, in a region where practically everyone was considered a party to the conflict in Lebanon. Dr. El-Khazen explains:

Lebanon was on the brink of civil war. The Qataris got involved with the support of the Arab League, and the tacit support of the United States, saying 'do whatever you can'. So the situation in Lebanon imposed itself. The parties were seeking a mediator to solve this situation. And there was no one else who could have brokered this deal. Saudi Arabia was already partisan, the US, Syria, everybody, so the Qataris stepped in at a time when there wasn't any competitor, so to speak, to Qatar to be involved.

This particular moment in the region must also be seen in light of US policy, which created the opportunity for Qatar to get involved diplomatically, as well as the Qatari-Saudi reconciliation, which made it possible for Qatar's involvement to succeed. What is more, the Doha agreement was produced not only out of necessity to find a solution among the Lebanese, as alluded to by Hammoud, but an equally important necessity among their regional backers. Discussing the geopolitical factors leading to Qatar's mediation, the former UN official explains:

One of the most important factors was that a room was created through the Americans' policy under Bush, and that those who had ambitions and saw opportunities were the Qataris. What complicated for a while Qatar's possibility for a role in Lebanon was its complicated relationship with Saudi Arabia. Therefore, it may have seemed somewhat surprising that they could play that role, but they managed, and that was of course related to the development in the relationship between Qatar and Saudi Arabia as well. And I think it is important to note also that what made possible a

solution was the fact that it was in Syria and Saudi Arabia's interest to find a solution at that point in time.

This Syrian and Saudi interest must be seen against the backdrop of the aforementioned regional "cold war". In many ways, the May fighting was the culmination of this struggle within the Middle Eastern system, and it was quite clear who the winners and losers were. Hammoud does not hide this fact of March 14's loss and victim hood, when describing where the real power inside (and outside) Lebanon was found during the Doha negotiations:

There was no need for Qatar to pressure Saudi Arabia, meaning, even if you assume, and this is a very simplistic assumption, that Saudi Arabia is, or was at the time, the patron of our side, the same way as Syria and Iran were the patrons of the other, in my opinion the analogy is incorrect, but even if you take that analogy, there was no denying that the side of Saudi Arabia's alleged client was in a victim's position, not having the ability on the ground to do anything. So there would be no need to pressure that alleged patron. Whereas all the need was there to do so on the other side, and I think it is clear there were many phone calls by the Emir of Qatar to Ahmedinejad, and of course Bashar Al-Assad, in order to reach an agreement.

The former senior UN official echoes this view, and explains how the altered balance of power in Lebanon – with its regional implications - contributed to making Doha the meeting place for the negotiations at this particular juncture:

What also played a role was that after what happened in Beirut there was a feeling in the March 14 side that, for all practical purposes, they were weakened. So the importance of coming to a compromise increased. That may also be a reason for why they were willing to accept Qatar as a venue for this, which I believe a year earlier would not have been possible simply because it would have been looked upon as running a Syrian, and anti-Saudi, errand.

The aspects of timing and regional balance of power realities, are alluded to by Dr. El-Khazen as well, when he rejects the possibility of Qatari involvement in Lebanon's post-election vacuum during the summer of 2009, a year on from the Doha agreement. The possibility of a Qatari diplomatic initiative to solve the deadlock, which lasted about half a year, was suggested by Doha's media at the time, but did not materialize. And as Dr. El-Khazen explains, "there is no need for Qatari involvement when Syria and Saudi Arabia are now on good terms. Like any mediation, there is a certain timing that is conducive to it."

Qatar's acceptability at a particular moment in time was not the only thing that was different in May 2008 compared to a year before or after. Equally important was France's renewed involvement in the Levant under new president Nicolas Sarkozy. After coming to power in May 2007, President Sarkozy immediately set out to change some of his predecessor's policies in the region. Teaming up with Qatar in an attempt to engage Damascus, the French were engaged in high-profile diplomacy to find a consensus candidate to fill Lebanon's presidential vacuum through the winter of 2007-08. Against this backdrop, French Foreign Minister Bernard Kouchner describes the Doha Agreement as "a result of close French-Qatari consultation."⁷¹ Hammoud explains the significance of France's role:

Syria had an interest in solving the problem. Syria was beginning a process of rehabilitation with the international community, and the French were involved and explained to the Syrians that the continuation of the situation in Lebanon would be detrimental to good relations with French.

⁷¹ "Kouchner hails Qatar's mediatory efforts", *Gulf Times*, 22 June 2009

Dr. El-Khazen also points to France's involvement, in light of the new president's policy reversal, stating that "the French were involved, and this is under Sarkozy, so they had already adopted a different policy, a more even-handed policy, so to speak, as compared to Chirac." The French role did not go unnoticed with the blue helmets in Lebanon either, and the former senior UN official explains its significance vis-à-vis the weakened party after the May 2008 fighting in Beirut:

When Sarkozy was elected we [UN in Lebanon] started to see changes, and we picked up that there was contact on different levels between Qatar and France. So it is correct that France played a role in Qatar's involvement. And I think the link to France is important as to why this in the end became acceptable to March 14.

Accompanying France's increased involvement was America's gradual withdrawal from the regional "cold war". This withdrawal was personified by Ambassador Jeffrey Feltman, who departed Beirut in February 2008, just three months before the fighting broke out in Beirut. Feltman had been considered one of the main supporters of March 14 in Lebanon, and a leading proponent of isolating Syria. The Lebanese opposition had long been critical of Feltman, and after the 2006 war and the subsequent departure of March 8 from the government, opposition parties started referring to Prime Minister Fuad Siniora's remaining cabinet as "Feltman's government". The significance of Feltman's departure is confirmed by the former senior UN official, who also describes the position of the US going into the Doha negotiations:

It is correct, that when Feltman left the place, I think it was less force behind the policy in Beirut from the American side than it had been earlier, even though he continued to have contact with that portfolio in

Washington. So it is a correct observation that they [the US] had bigger challenges [than Lebanon], but that it was two issues that were crucial for them [in Doha].

Elaborating on the two red lines of the US in the negotiations, the former senior UN official makes it clear that the US, if not conceding defeat in Lebanon, was not in any way negotiating from a position of strength at the time of the mediation in Doha:

The US had two considerations. One was the arming of Hezbollah and the possibility of a new war with Israel, and the other was simply to hinder that Syria would come back and take control of Lebanon. But I believe, within this, they were open to the possibility that things could happen in Doha.

The shifting balance of power in Lebanon, and its impact on American policy, is alluded to by a US official, stating that “the backdrop to Doha was that March 14 felt abandoned and had to accept the deal once Hezbollah won.” Adding that, “the US was consulted by the Qataris, who constantly asked if the deal was acceptable to us; Rice said it was [...]”⁷² Rather than trying to dictate terms or otherwise shape the Doha agreement, the US simply accepted what it had spent the last year and a half vehemently opposing, namely a blocking third for the opposition in a national unity government. This withdrawal from the Lebanese scene was not lost on March 14 and Hammoud, who laments:

I think there was a particular moment in the region. It was the end of the Bush administration. And the fact that it was the end of the Bush administration allowed the mini civil war in Lebanon to happen. The real, the main event, that happened, because the Americans were absent, the

⁷² International Crisis Group, *Engaging Syria? U.S. Constraints and Opportunities*, Middle East Report No. 83, 11 February 2009: 15

peak of their absence, incompetence some say, or whatever you want to call it, because they were busy with their own problems. The main event was, I am talking about our case, was the onslaught on Beirut and the Druze mountain. Now, as a result there was this Qatari intervention, with the French support, and to spearhead the Arab League effort. But the main event was the result of the American absence.

America's role cannot be measured on a small country like Lebanon, it has to be measured on the region. And for our region, unfortunately, the message that was received from the Lebanese here to the world was that if you are depending on American support for democracy, freedom, and human rights, and institutional life, in the face of violence, terror, and [inaudible], you can receive all the media statements you wish for, but nothing else. That is the message.

It was this American withdrawal from Lebanese politics, and subsequent insecurity among the US's Lebanese and regional allies, coupled with Qatar's unique position within the Middle Eastern system and its close cooperation with France, that made the success of the Doha agreement possible. As a result, it would not be long until Doha and Paris teamed up again diplomatically, this time in Sudan, where Qatar also has close commercial and political ties. It is with this in mind that we now turn to the Doha process for Darfur.

3.5 Case 3: Sudan

BUSINESS DIPLOMACY

In Sudan it is also Sheikh Hamad and his real estate ambitions that dominate Qatar's business interests. Qatari Diar has a USD 400 million residential and hotel project in Khartoum. In addition, the banks are very present, as in both Yemen and the Levant. Qatar National Bank Al-Islami, wholly-owned by QNB, opened its first branches outside Qatar in Khartoum around the time when Doha became involved with the Darfur peace process. Other than QNB, which was the first Qatari bank to get a license to operate in Sudan, Sheikh Hamad's son, Jassim, and his Qatar Islamic Bank are also active in the country through the Islamic Development Company, and other Qatari banks are waiting to enter the market.

Qatar is also heavily invested in agriculture in Sudan. QIA has set up a joint venture, Hassad Holding, with the Sudanese government to invest in this field. Zad Holding (previously Qatar Flour Mills), which is controlled by the *Bani Mohammad* of Sheikh Hamad's Beit Jabr, also has agricultural operations in Sudan. Finally, as the world's leading LNG exporter, Qatar is concerned about energy security. With a large – and increasing - portion of its exports going to Europe through the Suez Canal, Qatar is particularly concerned about the security situation in the Gulf of Aden, Bab Al-Mandab, and the Red Sea, and this may explain Doha's activist foreign policy around the Horn of

Africa, mediating in Sudan as well as Yemen, cultivating good relations with Eritrea, and having had a long-standing interest in Somalia and its stability.

Commenting on Qatari investments in Sudan and the importance of that factor for Doha's involvement in the peace process, a Darfuri activist who participated in the civil society track of the Doha process in November 2009 and has been present at other stages of the mediation in the Qatari capital, comments: "No doubt, the Qataris see Sudan as an opportunity for investment, now and in the future. And, of course, they are already invested big time in oil logistics, the pipeline, as well as the dam projects. So, no doubt, part of their reason for coming here is due to their business and investments."⁷³ A senior Western diplomat with experience from Sudan echoes this view: "They [Qatar] are present where there is money to be made. And their involvement cannot but underpin stability and peace in the country. [...] So, I do not think it was the trigger, but that it could have been a contributing reason that they chose to go for such an involvement, that I believe is correct."⁷⁴

Dr. Tahir El-Faki, Secretary General of the main Darfuri rebel group Justice and Equality Movement's (JEM) Legislative Assembly, also alludes to the role business plays in Qatar's involvement in Sudan: "That can be paradoxically a problem for the Qataris, when some people see they have investments, then some people will say, oh the Qataris are coming only for their own interest, to protect their investments. [...] That can be a

⁷³ Author's interview, February 2010

⁷⁴ Author's interview, January 2010

problem for them to solve issues like the Darfur problem.”⁷⁵ El-Faki goes on to invoke Qatar’s financial capacity when expressing hope, similar to what was expressed during the mediation in Yemen and what had materialized in Lebanon, namely that “we believe the Qataris are ready to rebuild everything which was destroyed during the fighting in Darfur.”

JEM’s opposite number in the Doha negotiations, Sudan’s Ambassador to Qatar, H.E. Ibrahim Abdallah El-Fageeri, also alludes to the role of Qatari investments in Sudan when describing the “close relations” between the two countries: “They [Qatar] are investing in Sudan, the banks, Diar, the airline, and now we have the Hassad in agriculture, they have a project in north Sudan for about 250,000 acres of wheat. This all started in April 2007 when we had a meeting here in Doha with our economic delegation and the main issue was the license for the QNB, the Qatari National Bank.”⁷⁶ Asked whether he considered this the direct reason for Qatar’s involvement, the Ambassador responds: “Actually, you cannot say directly, but with any investment you have to think about the peace. So this might be, that they already entered and then they took over the file, although most of their investments are in Khartoum or the north, and far from Darfur, but you see, after the peace they can extend their investment.”

⁷⁵ Author’s interview, December 2009

⁷⁶ Author’s interview, January 2010

REGIONAL CONTEXT

Having established the business aspect (see chart on p. 82) as a plausible, albeit most likely indirect, motive for Qatar's involvement in Sudan, as well as Doha's financial capacity as a means of driving the mediation - of course, also to be seen in conjunction with Qatar's desire to further the "brand" of Doha as a peacemaker post-Lebanon - we now turn to the regional and balance of power factors that made Qatari involvement possible, and which will determine its future success or failure. JEM's El-Faki explains how the Qatari involvement came about, alluding to the aforementioned quadripartite summit in Damascus and the important French role, which coincided with France's discussions with Khartoum concerning a UN Security Council deferral of the International Criminal Court's charges against President Omar Al-Bashir⁷⁷:

There was a meeting with Sarkozy and the Syrian president. In that meeting then they pointed out that there will be a mediation, sponsored by the Arab League, the African Union, and the United Nations, and the Qataris will be sponsoring the venue, and will be mediators. Then there was a meeting in Paris, I was there, and the meeting was attended by myself, [JEM spokesperson] Ahmed Hussein, and our representative in Paris. In that meeting it was the French foreign office, and the Qatari ambassador, and we were asked, they wanted our opinion on the Qatari initiative.

Why they are doing it, first of all they believe that their success in Lebanon gives them experience that they can do it. The second thing is, they saw with their own eyes the gravity of the problem in Darfur, and they want to solve it from a humanitarian point of view. The third point is that they have the ability, financial ability, and the structure to sort it out. And to build Darfur after a peace has been achieved. They were aware that Qatar is a small country, it is not a big international player, that it can only succeed when getting the support of the international community, and because it was backed by the French, they were sure that the initiative would gain

⁷⁷ International Crisis Group, *Sudan: Justice, Peace, and the ICC* (Africa Report no. 152, 17 July 2009): 17

support. And the French from behind the scene, were to get it to succeed. So the French were doing a lot of work behind.

The French role is confirmed by the senior Western diplomat, who notes how flaring violence in Darfur became a challenge for the new French administration under President Sarkozy:

France got actively involved with the humanitarian aspect of Darfur after Sarkozy was elected. Kouchner, who was a personality in the humanitarian community, had become foreign minister, and they had a big meeting in Paris that summer after Sarkozy was elected, and France was to follow up. France has as its interest that they have Chad as a former colony, which is still a sphere of interest. So suddenly this whole Darfur problem had landed at the door of France.

In light of the deal between Khartoum and Paris in the 1990s involving Carlos the Jackal, who had resided in the Sudanese capital and eventually became subject of an agreement between Sudan and France, the diplomat explains the change in French policy and Paris's need to engage Khartoum:

France had all the time had a different and more Khartoum-friendly policy, until Darfur broke out and Khartoum tried to topple [Chadian president Idriss] Deby in N'djamena. Then the policy shifted in Paris, Sarkozy came, and the French understood that they had to do something, because the French want to keep the status quo in Chad. And Sarkozy is a personal friend of the Emir of Qatar, and during a visit to Paris, there was direct, a personal, request to the Emir, that Qatar, having been successful in Lebanon and as an Arab country, should get involved. They promised them help, as Qatar had said 'we know little about Darfur and Sudan', and then they sent people to help them in Doha, where there has been a separate French presence and assistance since. He is a Chad specialist originally, the person who is there.

I think the French wanted the Qataris to do this, with the French sitting behind steering it. And therefore there has been friction with the AU and

the UN. Remember, this was in Libya, and Qaddafi handled it. There was a meeting in Sirte, which was unsuccessful. And it was JEM and [its leader] Khalil Ibrahim who did not show up, and who were directly supported by Chad. So, the thinking was that if the French could influence the Chadians, then the Chadians could deliver Khalil, and this was probably what the French promised to the Qataris.

Sudan's ambassador to Doha, perhaps not unsurprisingly, sees Qatar's involvement more through the lens of bilateral relations and the old Arab notion of "brotherly ties":

The reason why Qatar got involved in this problem in Sudan, actually since the early 1970s we had very good relations with Qatar. Many Sudanese came to Qatar as teachers, and for the army, police, and judges. Relations, politically and economically, were very good even in the crisis of the Gulf War, as it did not affect the relationship. Then Qatar was involved in the problem between Sudan and Eritrea. Also Qatar was involved when we had the problem with the two parties in Sudan, as you know, between Dr. Hassan Al-Turabi and Omar El-Bashir. So they have been involved in many of Sudan's problems because the relations are very close. And even Qatar was with Sudan in the UN when we had the Darfur problem there.

The Ambassador is not oblivious to the French role, noting that "I think France can play an important role in the relations between Chad and Sudan, and also by putting pressure on Abdel-Wahid [El-Nur, Paris-based leader of the Darfuri rebel group SLM]. Even the Americans, I think the Qataris are coordinating with. The Qataris, you see, they have no enemies, but they have a lot of friends." He may not, however, share the senior Western diplomat's endorsement of Qatar's more or less neutral role, based as it was on the fact that State Minister Al-Mahmoud was able to distance himself from Khartoum's attempted manipulation early on in the process:

He [Al-Mahmoud] was very lucky with his first trip to Sudan. It was attempted from Khartoum's side to manipulate his trip, where he should

travel and where not to travel, who to speak with and who not to speak with, and that he could not spend the night, and so on. And he took an independent decision, and spent the night in one of the IDP [internally-displaced people] camps, and talked to the people and pushed those [Khartoum] aside. And this gave him an enormous reputation initially, that he was independent, and this has contributed to him being perceived as not having been bought by Khartoum.

As with their Levant mediation, the Qataris, thus, managed to show that they were not an extended arm of one of the parties – be it Damascus or Khartoum. The Darfur involvement has presented Qatar’s leadership with another challenge to an efficient mediation, however, namely engagement with relevant regional actors that the Qataris are not used to dealing with. Gone are the Saudis, Iranians, and Syrians, who dominated the mediations in Lebanon and Yemen, Instead the Qataris are faced with a country that it has little prior experience of dealing with (Chad) and two Arab rivals – and potential spoilers – with whom Doha has not always had the best of relations (Egypt and Libya).

JEM’s El-Faki explains the challenge with regard to the regional players:

They [Qatar] were aware that Egypt would not be happy at all. Egypt and Libya will not be happy, because they will not accept such a small country to succeed while they as big players will be seen as sidelined. [...] The success of the Egyptians to derail the process is dependent on us, not dependent on what they do. We are very aware of what they aim at, and we did not mind, we sent a delegation to Egypt, we have a big office in Egypt, we have good relations with the Egyptians. But we are aware of their intentions, and we are aware that they are rivals to the Qataris. But in the long-term it is the determination of the movements, specifically JEM, to give chances for the Egyptians to succeed.

We insist, and every time we say we respect Qatar and we are with the Qataris, both as a venue and as mediators, and it cannot be changed. The Egyptians would seem as obstructionist if they were to pursue more blatant diplomacy to derail the process. But I don’t think they will succeed. So far they are unable. They managed to get what are called movements, the so-

called movements, negligible people, just individuals, and try to glamorize them, to make them something big. So that, you Qataris, if you want to sort it out you will have to involve those. And this is just because they know that JEM would not sit with so many people at the table while the Sudan government is sitting as one. [...] But this is how the Egyptians, and the Libyans, want to derail the peace process.

Sudan's Ambassador in Doha also alludes to the challenges facing Qatar concerning the neighboring countries and Darfur's regional factors, albeit in more a diplomatic manner:

I think they [Qatar] started correctly, the State Minister he started with the surrounding countries. He visited them to discuss the problem, and then after that he visited Darfur and he stayed with the people and he met with civil society. Then he went back to report to the neighboring countries. [..] Libya is very important for us, because we have two or three groups there. But our relationship with Libya is excellent, and the Qataris also have no problem with Libya. And Libya is one of the six countries involved in the process. Egypt is also one of the six countries, and this is from the Arab League, so if Egypt had any objection they might say it from the beginning, but they didn't and their representative usually comes to attend.

The importance of involving regional players, mainly Libya, is underscored by the senior Western diplomat:

The Egyptians are toothless, and they must just go along. And most importantly, they have no money to put on the table. But Libya has, and they have paid off JEM and Khalil in the past, when they thought they could control JEM. And they could very well do so again, if it is in Libya's interest that the Qataris fail. And that might very well be the case. So they must keep them onboard and inform them. And possibly agree that something, a final agreement, will be signed in Sirte or something. But all this has more to do with inter-Arab games.

It is in light of this Arab game and rivalry we must see recent Qatari activism vis-à-vis Libya, including State Minister Al-Mahmoud's interview with Al-Sharq Al-Awsat in October 2008, just a month after Qatar's initial involvement in Darfur. Referring to his

recent visits to Sudan, Libya, and Egypt, Al-Mahmoud makes clear: "We are part of our Arab brothers and complement them. We benefit from the expertise of some of our brothers as they understand and know more than us. We cannot achieve anything on our own and we are working as one team. We will continue to contact everyone inside and outside [Sudan] so as to achieve accord, reconciliation, and agreement between the people of Sudan."⁷⁸

Sheikh Hamad and the royal merchants' business diplomacy have been on full display as part of Qatar's attempt to engage Libya. During the first visit in the summer of 2008, a joint investment fund with a USD 2 billion capitalization was set up between QIA and its counterpart, Libya Investment Authority. In addition, Barwa Real Estate, which is headed by the state capitalist's protégé, Ghanim bin Saad Al-Saad, and in which QIA has a 45 percent stake, entered into an energy project contract with Libya Development and Investment Company. Finally, Qatar Energy and Water Company, on whose board Sheikh Hamad and his semi-sheikhly protégé Dr. Khalid bin Mohammed Al-Attiyah are members, signed a memorandum of understanding on joint projects with a Libyan counterpart.

In addition, at the same time influential Sheikh Khalid bin Thani, whose importance and presence we also covered with regard to the Lebanon case, announced plans of establishing an Islamic bank in Libya – the first in the North African country – to be called Libyan Financing House, and a new Islamic insurance company. Sheikh Khalid is,

⁷⁸ <http://www.asharq-e.com/news.asp?section=1&id=14441>

as we have seen, head of Qatar International Islamic Bank and a board member at QIA. All this business activity has overlapped with a number of official visits to Libya. Emir Hamad (accompanied by the Prime Minister) visited the country an unprecedented four times in 2009, having only visited the country twice in the preceding eight years.⁷⁹ JEM's El-Faki comments on Qatar's great efforts of engaging Libya:

They have some success, because in the beginning, when we spoke to the Libyans and we told them that we are going to Qatar, they were extremely unhappy, and they told us frankly that our leadership has been to so many places, and now they are going to Qatar without coming to Libya, and they are not happy about it. We promised them that we are going to visit them, but we are not going to do anything without prior knowledge, or brief them on what is going on. The Qataris, when we met the Emir, we told him that the problem in Darfur cannot be sorted out before good relations between Qatar and Libya are worked out. And he listened to us very well. [...] And he traveled to Libya, and N'djamena, and so on.

So they are trying to break the ice with the Libyans. But the Libyan system is very difficult, it is entrenched in forty years of conspiracies and difficult to deal with. But the Qataris are patient, very patient, they don't despair. And that will be part of their success, and hopefully they will succeed. Because the Libyans want to have a say. And what the Qataris are saying is that they might involve the Libyans in one of the final negotiations, they will make the venue Libya. So it gives [Qaddafi] the spotlight and the glamour.

A final point worth mentioning when discussing the Qatari mediation effort in Darfur, as already alluded to by the Sudanese ambassador, is Doha's coordination with and support from the US. President Obama's Special Envoy to Sudan, Maj. Gen. Scott Gration has praised Qatar's "tremendous efforts, which not only helped the negotiations, but also their efforts to unite the rebel groups to bring members of civil society here to do requisite training goes far beyond just negotiations, they have actually been wonderful in

⁷⁹ http://www.diwan.gov.qa/english/the_amir/the_amir_visits.htm

picking up tasks far beyond what is required as a facilitator.”⁸⁰ The senior Western diplomat with much experience from Sudan explains:

The Americans very early gave their support to Qatar. Gration’s predecessor [President Bush’s last Special Envoy, Richard S. Williamson] was a non-ideological and pragmatic politician, who supported the Qataris. The Americans gave them support, because for them it is really not important who resolves this, as long as it is resolved, because the main conflict is North-South. Darfur has throughout been a humanitarian problem for the Americans, while North-South is a political problem. Therefore it does not matter to them who are solving it. This is of course in the backyard of Qaddafi, and so on, and they do not think that they have any leverage there after all. Therefore, they could not care less, and if the Qataris can solve it this would be fine, because then it would not scuttle the North-South agreement, which is the most important for them.

To date a number of agreements have been signed in Doha as part of the peace process, including two between JEM and Khartoum, a recent agreement between the newer umbrella rebel group the Liberation and Justice Movement (LJM) and the central government, as well as two agreements between Sudan and Chad. While a lasting and comprehensive agreement still seems some time away, the Qataris appear as engaged as ever, even after a year and a half of inconclusive mediation efforts. This continued involvement is likely driven, at least in part, by the attention which the Doha process brings to the Qatari capital, and its latest “brand”, that of “regional peacemaker”.

⁸⁰ “Us lauds Qatar’s peace efforts in Darfur”, *The Peninsula*, 14 March 2010

IV

Conclusion

This thesis has attempted to answer the question of to what extent Qatari diplomacy follows the state's money – and vice versa. By breaking down the Al-Thani family tree, and categorizing the different branches in light of contemporary centers of power, it concludes that business and politics in Qatar today are largely controlled by three houses (*beit*) of the ruling family, from which about ten branches (*bani*) play prominent roles politically and/or economically. In this situation the state capitalist, Sheikh Hamad bin Jassim bin Jabr Al-Thani, and his protégés, through their multiple leadership roles, practically erase the distinction between business and politics. This is underscored by the fact that the companies and dramatis personae that we find active both in Doha and abroad are few and largely the same. Thus, business interests can be said to be one – but not the only or even the primary - foreign policy driver in Qatar.

Equally important to Qatar's business diplomacy is Doha's ability to use its financial capacity and investments to drive its foreign policy, and more importantly its conflict mediation. As seen in both the Lebanon and Sudan mediations, Qatar has combined investments and business interests with a great willingness to go out of its way in reassuring and get potential spoilers (Syria and Libya) onboard. What is more, Doha has been able to use its financial capacity and promises of reconstruction and development to balance its strong commercial ties with the regimes in both Yemen and Sudan, and hence

get important non-state actors to the conflicts (the Houthis of Yemen, Lebanon's Hezbollah, and the Darfuri JEM) onboard their mediations.

As a result, Qatar's business diplomacy must be seen in light of its "branding" strategy and its distinct form of "state capitalism", in which investments can garner political dividends, and business can be used to drive international activism and mediations – as opposed to business interests merely being protected by Qatari foreign policy. Against this background, I believe Nonneman's description of Qatari diplomacy as "one of profiling itself [...] and of trying to somehow take the sting out of some of the worst conflicts that might rebound on its own interests,"⁸¹ accurately encapsulates both the "branding" and commercial aspects of Doha's business diplomacy and regional conflict mediation.

As for the thesis's second question concerning Qatar's international relations, and to what extent a changing regional balance of power and other geopolitical factors have contributed to the success and failure of Doha's mediations, it concludes that a shifting balance of power was a necessary, but not sufficient, condition for Qatar to get successfully involved in regional conflicts as a mediator. Embarking on this path of regional peacemaking was a policy choice taken by the Qatari leadership in face of challenges and hard choices vis-à-vis the region as well the US, and its success, as shown in Lebanon (and hitherto to some extent in Sudan), was contingent on close cooperation

⁸¹ Quoted in "Qatar steps into the breach", *ISN Security Watch*, 24 March 2009, <http://www.isn.ethz.ch/isn/Current-Affairs/Security-Watch/Detail/?ots591=4888caa0-b3db-1461-98b9-e20e7b9c13d4&lng=en&id=98148>

with another ambitious actor with a certain leverage on its own, namely France under President Nicolas Sarkozy.

Thus, for Qatar to be able to bridge the gulf between regional and local adversaries in a polarized Middle East, three conditions need to be aligned: (1) its business interests and ability to mobilize its financial capacity on the ground; (2) a conducive regional environment and timing; (3) the opportunity to co-opt or team up with potential spoilers and partners. A juxtaposition of the failure in Yemen and the success in Lebanon makes the importance of such alignment abundantly clear. As a result, the Qataris' on-going involvement in Sudan will show what lessons they have learned from these past experiences, and the Doha process for Darfur may prove the litmus test concerning Qatar's durability as an efficient regional peacemaker.

Appendices

Diagram of Beit Jassim

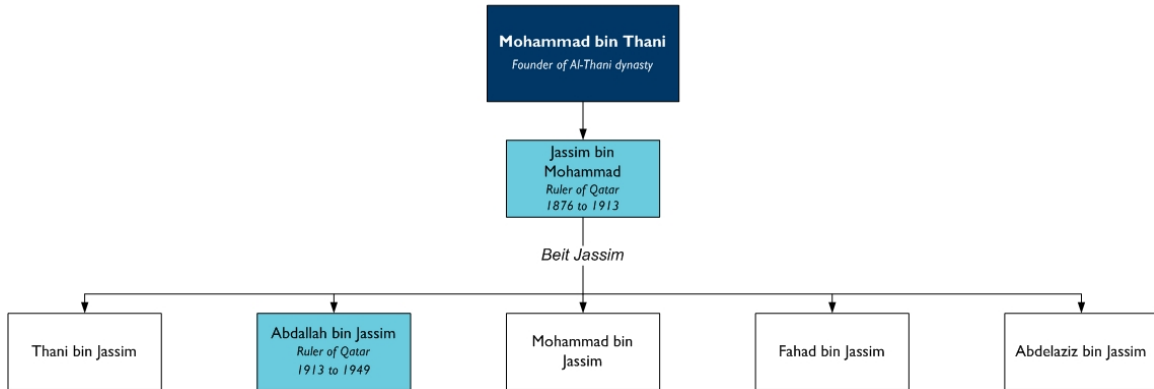
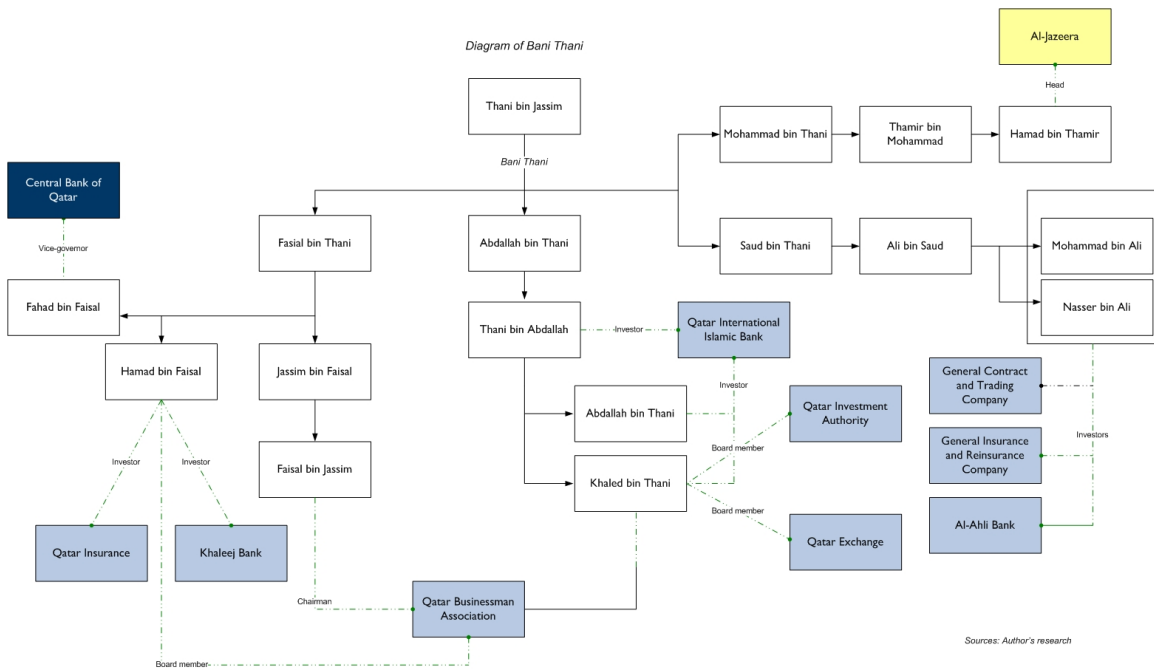
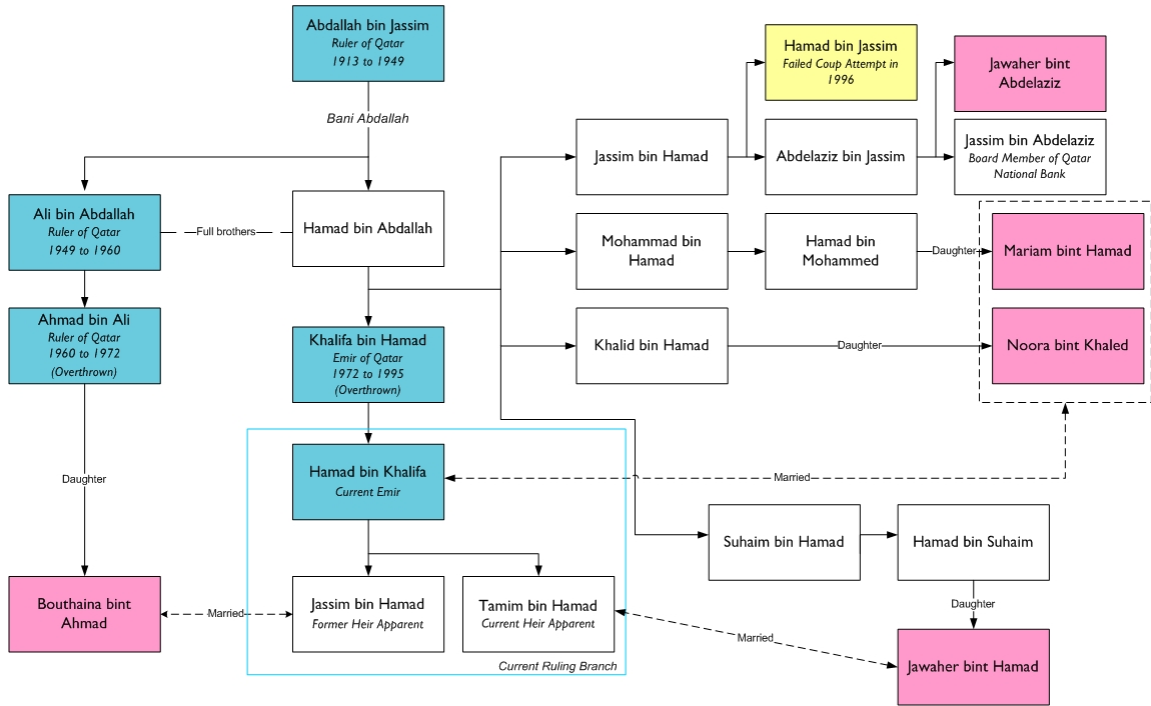


Diagram of Bani Thani



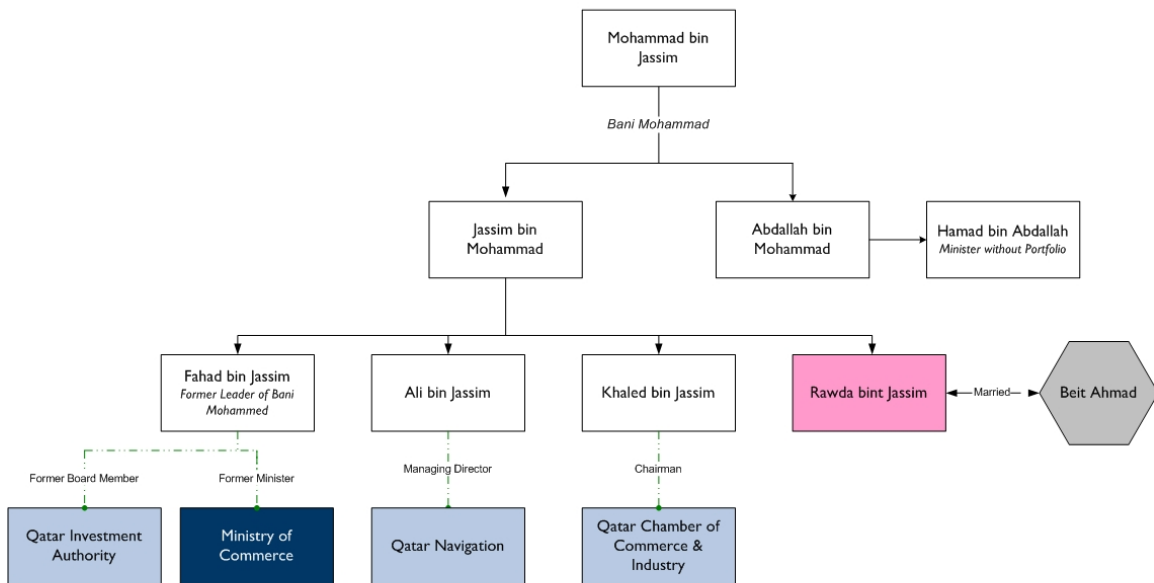
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Diagram of Bani Abdallah



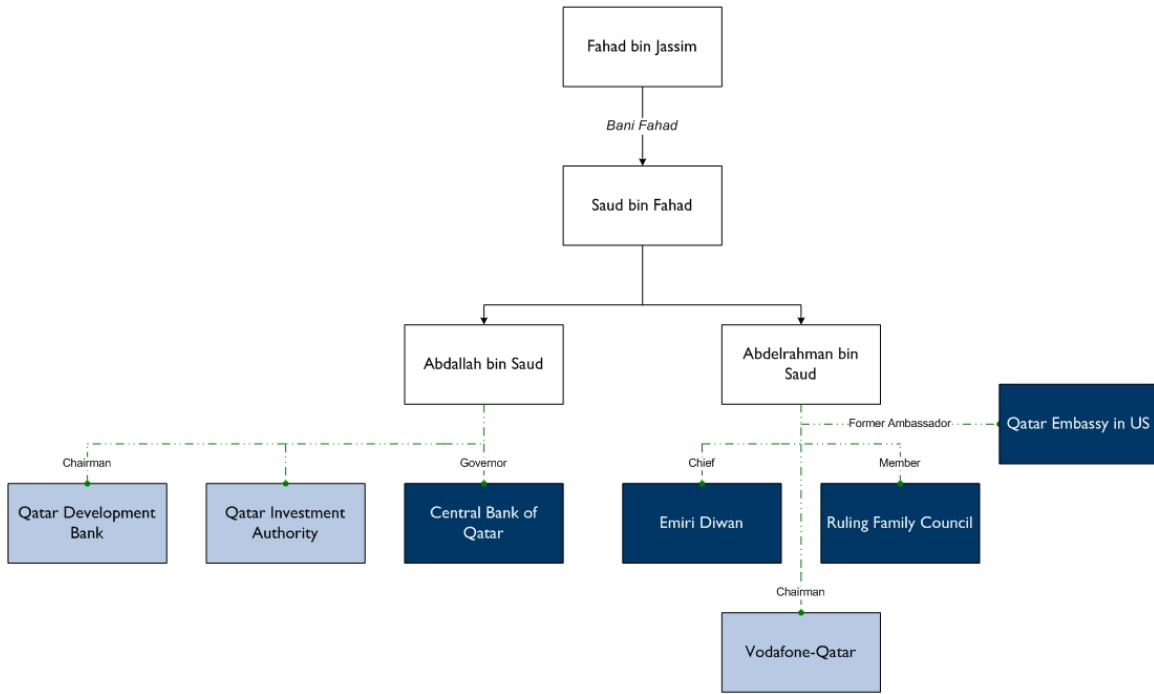
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Diagram of Bani Mohammad



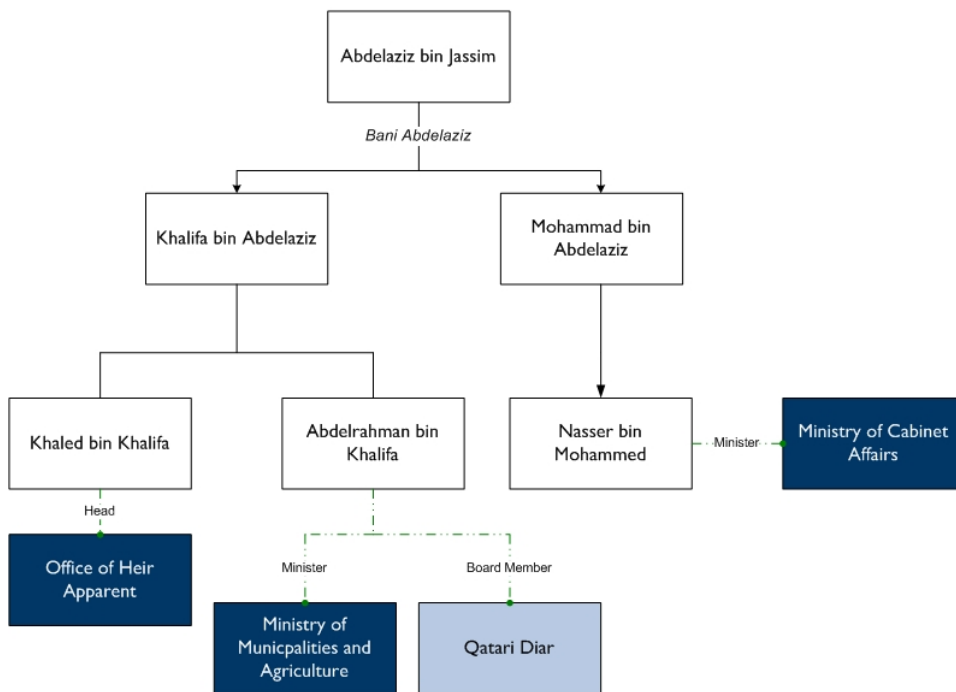
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Diagram of Bani Fahad



Sources: Author's research

Diagram of Abdelaziz



Sources: Author's research

Diagram of Beit Ahmed

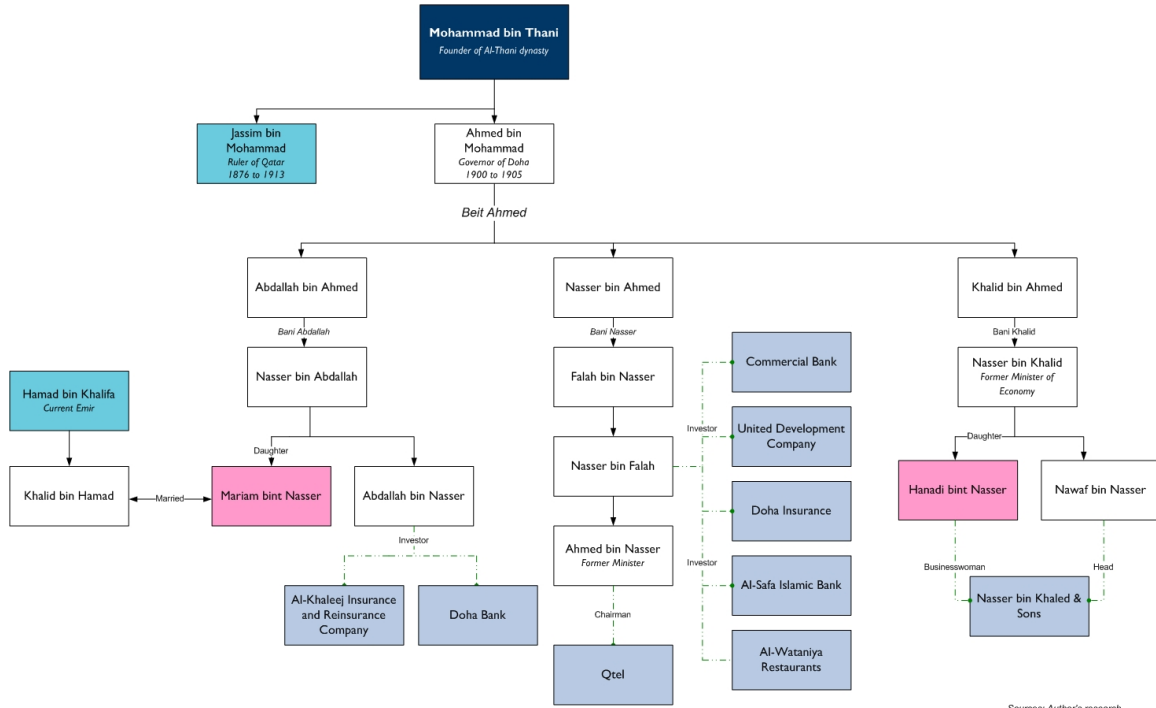


Diagram of Beit Jabr

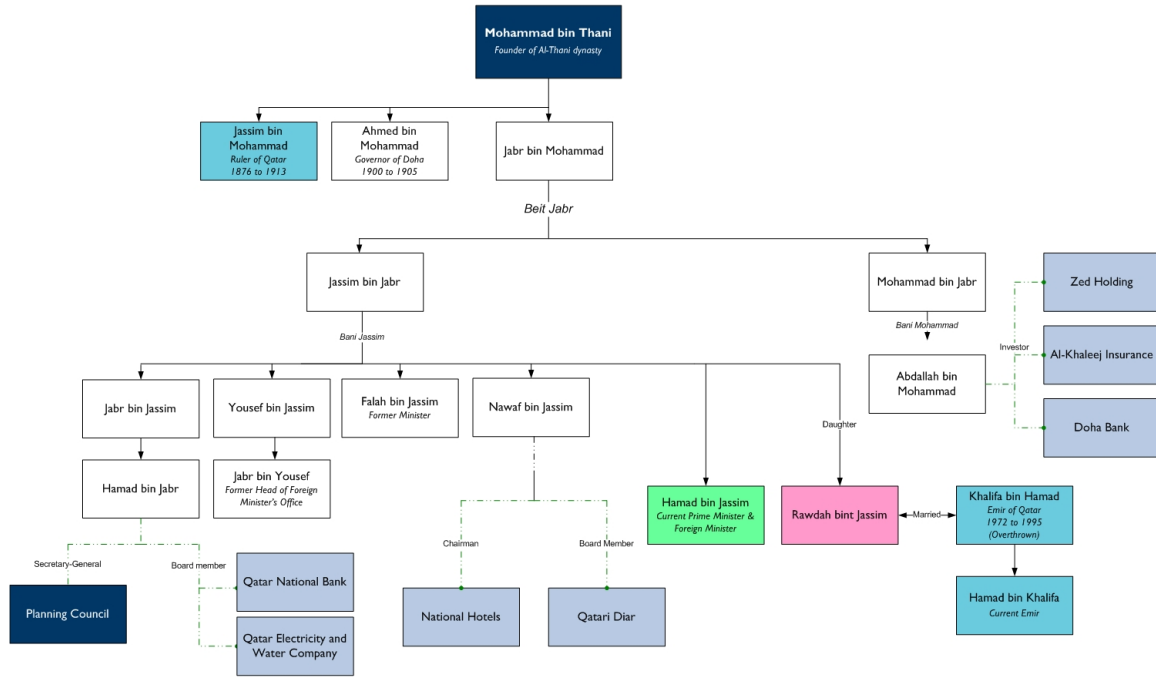


Chart 1: Political and business interests relevant to the three case studies

	The Royal Merchants	The State Capitalist (HBJ & Beit Jabr)	The Protégés (Al-Mahmoud)	Semi-Sheikhly Al-Attiyah	Yemen	Levant	Sudan
Cabinet	Fahad b. Jassim [d. '09]* (Min. Bus. & Comm.) Abdelrahman b. Khalifa** (Min. Munic. & Agr) Nasser b. Mohammad** (Min. Cab. Affairs) Hamad b. Abdallah* (State Min. w/o portfol) Abdallah b. Khalid* (Min of Interior) Hamad b. Suhaim**** (State Min. w/o portfol)	Prime Minister & Minister of Foreign Affairs	Ahmed b. Abdallah* (Min. of State for Foreign Affairs) Saad b. Ibrahim** (Min. of Education)	Abdallah b. Hamad (Min. Of Energy, Elect, Water & Deputy PM) Dr. Khalid b. Mohammad (Min. State Int. Coop/Acting Min. Bus. & Comm.)	X	X	X
QIA - Qatar Investment Authority	Fahad b. Jassim [d. '09]* Khalid b. Thani*** Abdallah b. Saud****	Vice-chairman & CEO	Mansour b. Ibrahim** (Head Risk Mgmt & Dir. CEO Office)	Dr. Khalid b. Mohammad (board)		BLC-Lib. (Khaleej BLC)	Hassad Sudan (\$100m)
Qatari Diar	Abdelrahman b. Khalifa**	Chairman Nawaf b. Jassim* (board)	Mansour b. Ibrahim** (Exec. Comm.)	Dr. Khalid b. Mohammad (Exec. Comm)	Al-Rayyan Hills (\$600m)	Ibn Hani (\$350m) Diar Sham	Mushaireb Khartoum (\$400m)
QNB - Qatar Nat. Bank	Hamad b. Abdallah**** Jassim b. Abdelaziz****	QIA 50% Hamad b. Jabr** (board)	Mansour b. Ibrahim** (board)		QNB Yemen	QNB Syria	QNB-Islami
Qatar Islamic Bank		Jassim b. HBJ*** (chair) QIA 20%	Abdelatif b. Abdallah* (managing dir.)		Thadamon Islamic Bank	Arab Fin. House (Beirut)	Islamic Dev. Co.
Qatar Int. Islamic Bank	Khalid b. Thani*** (chairman)	QIA 20%				Syria IIB	
Doha Bank	Abdallah b. Nasser #	QIA 20% Bani Mohammad****			Coop. & Agri. Bank		
Doha Insurance	Nawaf b. Nasser # Khalifa b. Jassim*	Jabr b. HBJ*** (board)			Qat-Yem Insur. Co		
	Beit Jassim: *Bani Muhammad; ** Abdelaziz; *** Thani; **** Fahad; ***** Abdallah Beit Ahmed: Bani Khalid	* HBJ brother ** HBJ nephew *** HBJ son **** HBJ cousins	* Brothers ** Brothers				

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