



House of Commons
Foreign Affairs Committee

**Global Security: The
Middle East**

Eighth Report of Session 2006–07

*Report, together with formal minutes, oral and
written evidence*

*Ordered by The House of Commons
to be printed 25 July 2007*

HC 363

Published on 13 August 2007
by authority of the House of Commons
London: The Stationery Office Limited
£0.00

Foreign Affairs Committee

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Conclusions and recommendations

1. We conclude that the FCO's failure to provide us with a timely response to basic administrative questions has hampered our ability to scrutinise the Government's approach towards the Middle East. We further conclude that the FCO needs to reconsider its approach towards confidentiality of documents. We recommend that when parts of a document can be released without classification, a crude blanket approach should not be applied to that document. (Paragraph 9)

Israel and the Occupied Palestinian Territories

2. We conclude that the Temporary International Mechanism has played a limited, but important, role in mitigating the economic and humanitarian crises in the Occupied Palestinian Territories. This crisis has been severe and its impact on the political and security situation, in particular in the Gaza Strip, should not be under-estimated. (Paragraph 23)
3. We conclude that the decision not to speak to Hamas in 2007 following the Mecca agreement has been counterproductive. We further conclude that a national unity Government could and should have been established much earlier than the spring of 2007. We recommend that, in its response to this Report, the Government set out when it began to actively support the establishment of a national unity Government in the Occupied Palestinian Territories. (Paragraph 36)
4. We conclude that the unwillingness of the EU to modify the financial boycott of the Palestinian Authority following the Mecca agreement was very damaging. The international community failed to prepare and implement rapid economic solutions to reward those elements within the national unity Government that respected the three Quartet principles. We recommend that, in its response to this Report, the Government provide an assessment of whether it believes in hindsight that the EU and the rest of the international community acted with sufficient urgency to create conditions in which direct aid could be restored as soon as possible. We also recommend that the Government in its response to this Report should clarify the extent to which difficulties in restoring aid to the national unity Government in 2007 were due to the impact on the institutions of the Palestinian Authority of the suspension of aid in 2006. (Paragraph 41)
5. We conclude that the actions of both Hamas and Fatah militia forces in the Gaza Strip were deplorable and should be condemned by all. However, the escalation of violence in June 2007 should not have come as a surprise to the UK Government or any of its international partners. We conclude that the decision to boycott Hamas despite the Mecca agreement and the continued suspension of aid to the national unity Government meant that this Government was highly likely to collapse. We further conclude that whilst the international community was not the root cause of the intra-Palestinian violence, it failed to take the necessary steps to reduce the risk of such violence occurring. (Paragraph 50)

6. We conclude that the Government was right to make contact with Hamas in its efforts to secure the release of Alan Johnston. We welcome the role of Hamas in his release. (Paragraph 59)
7. Given the failure of the boycott to deliver results, we recommend that the Government should urgently consider ways of engaging politically with moderate elements within Hamas as a way of encouraging it to meet the three Quartet principles. We conclude that any attempts to pursue a 'West Bank first' policy would risk further jeopardising the peace process. We recommend that the Government urge President Abbas to come to a negotiated settlement with Hamas with a view to re-establishing a national unity Government across the Occupied Palestinian Territories. (Paragraph 60)
8. We conclude that the Temporary International Mechanism needs to be replaced by a more permanent solution that can meet the profound humanitarian crisis in the Gaza Strip. We recommend that the Government continue to press Israel to ensure full humanitarian access to Gaza. We further recommend that, in its response to this Report, the Government set out its interpretation of Israel's obligations under international humanitarian law and the responsibilities of the international community to ensure humanitarian provision for Gaza. (Paragraph 64)
9. We welcome the appointment of the former Prime Minister as the Quartet Representative. We recommend that he engage with Hamas in order to facilitate reconciliation amongst Palestinians. We further recommend that his mandate be broadened to include explicitly working with Israel, the Palestinians and regional states to advance peace negotiations. (Paragraph 67)
10. We conclude that the Roadmap for Peace has largely become an irrelevance in the dynamic of the Arab-Israeli conflict. The unwillingness of the Quartet to challenge robustly the failure by both sides to meet their obligations has undermined its usefulness as a vehicle for peace. However, we recommend that whilst the process of the Roadmap has failed, its objectives—an independent, democratic and viable Palestinian state peacefully co-existing with a secure Israel and an end to the occupation that began in 1967—must remain the basis for a solution to this conflict. (Paragraph 73)
11. We conclude that the Arab Initiative for Peace is a positive proposal that deserves serious consideration by all parties. We recommend that the Government continue to support the Initiative, and that it facilitate where possible discussion between the parties on contentious issues such as the right of return for Palestinian refugees. (Paragraph 79)
12. We conclude that the Government's focus on developing an economic roadmap for peace in the Middle East is to be strongly welcomed. However, we further conclude that the expansion of Israeli roadblocks and the growth of illegal settlements in the West Bank are among the factors that have had a very damaging impact on the economic situation in the Occupied Palestinian Territories. We recommend that, in its response to this Report, the Government provide the Committee with an update on what progress has been made on implementation of the Agreement on

Movement and Access. We recommend that the Government also provide its objective assessment of whether the removal of checkpoints and roadblocks would present a credible threat to the security of the State of Israel. (Paragraph 83)

Lebanon

13. We conclude that those who assassinated Lebanon's former Prime Minister Rafik Hariri must be brought to justice. The Government and its international allies have taken appropriate and measured steps at the UN Security Council to ensure that the tribunal is established. We further conclude that the tribunal process has brought to the surface important questions regarding the under-representation of the Shi'a population in Lebanon's political system. We recommend that the Government work with its international allies to help the Lebanese parties find consensus on a more representative and democratic political system. (Paragraph 94)
14. We conclude that the Government's decision not to call for a mutual and immediate cessation of hostilities early on in the Lebanon war has done significant damage to the UK's reputation in much of the world. As the Minister admitted to us, the option of a dual track diplomatic strategy could have succeeded. We believe that such an approach could have led to reduced casualties amongst both Israeli and Lebanese civilians whilst still working towards a long-term solution to the crisis. We recommend that, in its response to this Report, the Government clarify on what date the first draft resolution calling for an immediate ceasefire or cessation of hostilities was presented to members of the Security Council, and what the Government's response to this draft was. (Paragraph 102)
15. We conclude that the failure rate of 'dumb' cluster bombs could be as high as 30%, much higher than the Government's estimate of 6%. We further conclude that the failure rate of 'smart' cluster bombs could be as high as 10%, again significantly higher than the Government's estimate of 2.3%. We recommend that, in its response to this Report, the Government state whether it is prepared to accept that the failure rate of 'smart' cluster munitions could be as high as 10%, and if so, how it justifies continuing to permit UK armed forces to hold such munitions. (Paragraph 106)
16. We accept that Israel has an inalienable right to defend itself from terrorist threats. However, we conclude that elements of Israel's military action in Lebanon were indiscriminate and disproportionate. In particular, the numerous attacks on UN observers and the dropping of over three and a half million cluster bombs (90% of the total) in the 72 hours after the Security Council passed Resolution 1701 were not acceptable. We recommend that, in its response to this Report, the Government explicitly state whether it believes that, in the light of information now available, Israel's use of cluster bombs was proportionate. (Paragraph 108)
17. We conclude that both arms smuggling to Hezbollah and Israeli overflights into sovereign Lebanese territory threaten to undermine and embarrass the Government of Lebanon, as well as the UNIFIL forces operating in the south. We are concerned that the Government's calls on Israel to halt overflights are having little impact on its behaviour. We recommend that, in its response to this Report, the Government set out what progress has been made on addressing both of these issues. This should

include the most up-to-date figures on overflights as well as any new evidence of arms smuggling from Syria and Iran to Hezbollah. (Paragraph 112)

18. We conclude that the international effort to decontaminate south Lebanon from unexploded cluster bombs is of the utmost importance. We further conclude that the Government has made a good contribution to this work. We strongly welcome the brave work of the Manchester-based Mines Advisory Group as part of this effort. We recommend that the Government continue to support those working on cluster bomb clearance in south Lebanon and that it accelerate its financial contribution to enable the UN deadline for cluster bomb clearance of south Lebanon by December 2007 to be met. We are deeply concerned that the UN feels it does not have sufficient data from Israel on this issue. It is inexcusable that Israel is not providing full co-operation almost a year on from the conflict. We recommend that the Government apply strong pressure on Israel to provide the necessary information to the UN as soon as possible. (Paragraph 115)
19. We conclude that Hezbollah is undeniably an important element in Lebanon's politics, although its influence, along with Iran's and Syria's, continues to be a malign one. We further conclude that, as the movement will realistically only be disarmed through a political process, the Government should encourage Hezbollah to play a part in Lebanon's mainstream politics. We recommend that the Government should engage directly with moderate Hezbollah Parliamentarians. The Government should continue to refuse to engage with the military wing of Hezbollah. (Paragraph 120)

Syria

20. We conclude that Syria plays a significant role in most of the key areas in the Middle East and that this role may slowly be changing for the better. The support of Syria will be of great assistance to efforts to promote stability in the Middle East, in Lebanon and in Iraq in particular. This cannot be ignored when the Government and the international community engage in diplomacy with the Syrian authorities. (Paragraph 139)
21. We conclude that the Government's decision to send Sir Nigel Sheinwald to Damascus in October 2006 was the correct one. In our view, the EU ban on ministerial contact with Syria is not helpful in the context of engaging constructively with the Syrian Government. We recommend that the Government resume such contacts without delay. We further recommend that the Government continue to support the work of Javier Solana as part of the EU's engagement with Syria. (Paragraph 144)
22. There is no excuse for Syria not to co-operate fully with the international tribunal over the death of Rafik Hariri and in no circumstances should this be negotiated away. However, we conclude that more can be done to reassure Syria that efforts to build a workable democratic state in Lebanon are not aimed at destabilising the regime in Damascus. (Paragraph 148)
23. We conclude that the European Union Association Agreement with Syria presents a powerful incentive for President Assad to remedy his country's political behaviour,

particularly given Syria's current efforts towards economic reform. We recommend that in its response to this Report, the Government set out the list of conditions that Syria would have to fulfil if the European Union is to ratify the Agreement. (Paragraph 149)

24. We conclude that a peace settlement between Israel and Syria would help to transform the political dynamics of the region. We recommend that the Government place much greater emphasis than at present on finding a settlement that will end Syrian support for Palestinian Islamist groups and the Israeli occupation of the Golan Heights. (Paragraph 150)

Egypt

25. We conclude that there are serious concerns about the progress of democratic reform in Egypt. We recommend that the Government should use its close relationship with Cairo to maintain pressure on the Egyptian Government to widen participation in its political system. We further conclude that the Muslim Brotherhood is a powerful and important force in Egypt. As long as the Muslim Brotherhood expresses a commitment to the democratic process and non-violence, we recommend that the British Government should engage with it and seek to influence its members. (Paragraph 161)
26. We conclude that Egypt has an important role to play in the Middle East Peace Process. We recommend that the Government set out its policy on the Rafah crossing, and that it continue to work with Egypt and other parties to seek the re-opening of the crossing as soon as possible. (Paragraph 165)

Iraq

27. We conclude that it is too early to provide a definitive assessment of the US 'surge' but that it does not look likely to succeed. We believe that the success of this strategy will ultimately ride on whether Iraq's politicians are able to reach agreement on a number of key issues. We recommend that, in its response to this Report, the Government set out what actions it is taking to facilitate political reconciliation in Iraq. (Paragraph 174)
28. We recommend that, in its response to this Report, the FCO set out its key policy objectives in Iraq and how these objectives will be measured. This should include a section on how the Government is working to ensure the Iraqi Government meets its human rights obligations and makes a fair allocation of oil and gas revenue. (Paragraph 175)
29. We conclude that any intervention into Iraq by neighbouring countries would have an immensely damaging impact on regional security. We recommend that the Government urge Turkey in the strongest possible terms to refrain from carrying out or threatening to carry out such actions. We further recommend that, in its response to this Report, the Government set out what evidence it now has that points towards the complicity of the Iranian Government in supporting terrorism in Iraq. (Paragraph 180)

30. We conclude that it is welcome that regional states and key international players are now engaged in formal discussions on the situation in Iraq. We note that it has long been the policy of the Government to engage with Iran, and we are encouraged by signs that the US Administration is now accepting the wisdom of this approach. We recommend that, in its response to this Report, the Government set out the key agreements of the International Compact for Iraq and what progress has been made towards them. (Paragraph 184)
31. We conclude that the Iraq refugee crisis requires urgent attention. We are concerned that the Government does not appear to have provided any financial support to the UNHCR to assist the plight of refugees between 2004 and 2006. We recommend that, in its response to this Report, the Government set out how much of the money provided to the ICRC in these years was earmarked for refugees outside of Iraq's borders. We further recommend that the Government provide financial assistance to Syria and Jordan to help them cope with Iraqi refugees, but that this assistance should be conditional on these countries keeping their borders open to Iraqi asylum seekers. We welcome the Government's proposal to resettle a small number of very vulnerable Iraqis and recommend that it accelerate its discussions with the UNHCR on this issue. (Paragraph 189)

Iran

32. We conclude that Iran is rapidly increasing its influence and power across the Middle East. It has demonstrated that it is able to generate or exploit crises in a range of countries, thus furthering its own interests. We conclude that it is vital that the UK and the international community engage constructively and coherently with Iran on these difficult issues. We will consider the challenge of engagement, in particular on Iran's nuclear programme, in greater depth in our report on Global Security: Iran. (Paragraph 209)

British Diplomacy and the Region

33. We conclude that the use by Ministers of phrases such as 'war on terror' and 'arc of extremism' is unhelpful and that such oversimplifications may lead to dangerous policy implications. We agree with the Minister for the Middle East that these phrases cause unnecessary resentment. We recommend that the Government should not use this or similar language in future. (Paragraph 216)
34. We conclude that, when measuring its performance on conflict prevention and combating global terrorism, the Government should pay closer attention to the impact of its foreign policy in the Middle East than it has done under the 2004 Public Service Agreement targets. We recommend that the indicators for the 2007 Public Service Agreement target on Conflict Prevention reflect the impact of conflicts in the Middle East, including Iraq, the Occupied Palestinian Territories and Lebanon, on broader global security. (Paragraph 222)
35. We conclude that the FCO should continue to have a Departmental objective on relations with the Islamic World. This should, however, give sufficient weight to the impact of British policy in Iraq, Lebanon and the Occupied Palestinian Territories.

We are concerned that the damage done to the Government's reputation in the Arab and Islamic world may affect its ability to influence the political situation in the Middle East. We recommend that, in its response to this Report, the Government set out what action it is taking to improve its influence and reputation in the Arab and Islamic world. (Paragraph 230)

36. We recommend that the Government publish a public strategy paper on its relationship with the Middle East. This paper should set measurable targets for progress, and consider the political situation in different countries as well as addressing important cross-cutting themes such as democratisation, good governance and the rule of law. We believe that such an approach will help ensure the Government continues with a holistic approach to the region, improve the public's confidence in the Government's approach to the Middle East, and increase the opportunity for effective scrutiny of its engagement in this area of multiple crises. (Paragraph 233)

1 Introduction

1. *Global Security: the Middle East* is the first Report in a new series on global security matters. The 'Global Security' series follows on from the seven Reports produced by this Committee and our predecessor Committee on foreign policy aspects of the 'war against terrorism'. In our last Report in that series, we noted that the phrase 'war against terrorism' did not adequately reflect the multi-faceted nature of the security challenge facing the United Kingdom.¹ We therefore took the decision to introduce the 'Global Security' inquiry, giving us an opportunity to scrutinise the work and effectiveness of the Foreign and Commonwealth Office in one region at a time.

2. The Middle East is, and will continue to be, of critical importance to British foreign policy. It presents the Foreign and Commonwealth Office with some of its most complex and controversial challenges. In this Report, we focus on the Government's policy towards Israel, its Arab neighbours, Iraq and the increasing influence of Iran in the region. We have taken care to consider the important role that other regional actors play across the Middle East. Given the inter-linkages between many of these issues, we have also sought to step back and consider the Government's broad approach to the Middle East as a region.

3. We held discussions with a range of key interlocutors in a number of Middle Eastern states in March 2007. The Committee travelled in two groups, giving us the opportunity to cover a larger range of countries in a limited time. The first group visited Egypt, Israel and the Occupied Palestinian Territories. It also received a briefing from the British Embassy in Amman whilst passing through Jordan. The second group focused on Syria and Lebanon.

4. The evidence taken for this Report was received before the change of Prime Minister and Foreign Secretary in June 2007. We heard oral evidence from Dr Kim Howells MP, the Minister for the Middle East, and his officials Dr Peter Gooderham (FCO Director, Middle East and North Africa) and Simon McDonald (then the FCO Director, Iraq). We also took evidence from a range of independent experts. In producing this Report, we also drew on evidence that we took from the then Foreign Secretary Rt Hon Margaret Beckett MP and the Defence Secretary Rt Hon Des Browne MP in a joint session with the Defence Committee on Iraq. We also received a range of written submissions. We would like to express our thanks to all those who took the time to submit evidence to the Committee.

5. We were pleased to receive in April written evidence on the Middle East from the Church of England Mission and Public Affairs Council, supplemented by a personal and private letter to the Chairman from His Grace the Archbishop of Canterbury. Substantial extracts from both the evidence and the private letter found their way into a national newspaper early the following month. We have been unable to discover the source of this leak, which we strongly deprecate. The Committee has since revised its policy on publication of evidence and henceforth we intend to publish on our website all evidence, other than that marked private or confidential, shortly after receipt.

¹ Foreign Affairs Committee, Fourth Report of Session 2005-06, *Foreign Policy Aspects of the War against Terrorism*, HC 573, para 3

6. On 1 May 2007, we wrote to Dr Howells with some questions on FCO administration and expenditure regarding the Middle East. We asked for the number of FCO staff based in various Middle Eastern countries and London in recent years. We also inquired into the FCO's expenditure in a number of Middle Eastern states and the levels of fluency in Arabic held by FCO staff. We set a deadline of 21 May for a response.² Dr Howells replied on 23 May stating that because this information was not "readily available", he would respond to these questions "shortly".³ However, despite repeated reminders to the FCO, we did not receive their reply to our questions until the very day we completed the draft of this Report in the middle of July.

7. Dr Howells' letter to the Committee received a 'confidential' classification. The Committee has previously been concerned about the FCO's attitude towards the publication of administrative information. In our Report on the FCO's Annual Report 2005–06, we concluded that its "over-cautious" marking of documents was "a relic of a bygone age".⁴ It is not right that the FCO continues to maintain this approach. We object strongly to the argument that the entirety of the letter sent to us by Dr Howells required a 'confidential' classification. We found it hard to see why data on the levels of fluency in Arabic amongst staff or on how many officials were working on Middle Eastern issues in London could not be made public.

8. Immediately following receipt of Dr Howells' letter, our Chairman submitted a number of Parliamentary Questions to the Foreign Secretary. These questions were similar to those set out in our original letter. In its replies, the only information that the FCO withheld for security reasons was the break-down of staff by grade in various embassies. The rest of the information was made available publicly.⁵ It thus appears that the sensitivity of one category of data caused the FCO to classify a whole range of information in its original letter. This has served to confirm our view that the FCO too often classifies material unnecessarily and in ways which, even if they are not calculated to avoid public scrutiny, certainly have that effect.

9. We conclude that the FCO's failure to provide us with a timely response to basic administrative questions has hampered our ability to scrutinise the Government's approach towards the Middle East. We further conclude that the FCO needs to reconsider its approach towards confidentiality of documents. We recommend that when parts of a document can be released without classification, a crude blanket approach should not be applied to that document.

² Ev 124

³ Ev 127

⁴ Foreign Affairs Committee, Eighth Report of Session 2005–06, *Foreign and Commonwealth Office Annual Report 2005–06*, HC 1371, para 17

⁵ HC Deb, 19 July 2007, 517–521W



Source: United Nations

2 Israel and the Occupied Palestinian Territories

Introduction

10. The Foreign Affairs Committee has maintained a long-standing interest in the situation in Israel and the Occupied Palestinian Territories, and the role of the UK and the international community in the peace process. At the time of our final Report on *Foreign Policy Aspects of the War against Terrorism*, the Islamist party Hamas had recently triumphed in the Palestinian Authority legislative elections. Israel and the international community responded with a financial boycott of the Palestinian Authority. The Palestinian President Mahmoud Abbas had been weakened by the electoral failure of his Fatah party in the legislative elections, and divisions between Palestinians meant that a peace deal with Israel looked unlikely. Meanwhile, Israel was still recovering from the departure from politics of former Prime Minister Ariel Sharon owing to illness. Ehud Olmert, the newly elected Prime Minister, headed up a cabinet made up of his colleagues from Kadima, as well as members from other political parties including Labour.⁶

11. In June 2007, Hamas took control of the whole of the Gaza Strip by the use of force. The Palestinian President Mahmoud Abbas dissolved the Hamas Government and established a new technocratic administration, led by former Finance Minister, Salam Fayyad. This was rejected by Hamas, who as we prepare this Report continue to wield de facto control in Gaza. These dramatic events followed months of insecurity and uncertainty in both the Occupied Palestinian Territories and Israel. Whilst the situation looking ahead remains unpredictable, we believe it is important to provide an early assessment of these events. This chapter first looks at the political crisis in Israel before addressing the growing crisis in the Occupied Palestinian Territories and the consequences for the prospects of peace in this part of the world.

Israeli Politics

12. In February, Dr Peter Gooderham, the FCO's Director for the Middle East and North Africa, gave us his assessment of Prime Minister Ehud Olmert's administration:

The Israeli Government are not in a strong position domestically, largely because of the fall-out from the Lebanon war last summer, which continues to reverberate in Israeli politics.⁷

Simon McDonald, now the Prime Minister's foreign policy adviser, and a former Ambassador to Israel, told us that "the polls are poor for Mr Olmert's Government; he has a 65% negative rating, and his Defence Minister has a 1% approval rating."⁸ Israel's Government is a coalition including Mr Olmert's Kadima party and the Labour party.

⁶ Foreign Affairs Committee, Fourth Report of Session 2005-06, *Foreign Policy Aspects of the War against Terrorism*, HC 573, paras 183–222

⁷ Q 22

⁸ Q 24

Labour held primaries in the summer of 2007, and its leader, Amir Peretz (then the Defence Minister) was defeated. Ehud Barak, the former Prime Minister of Israel, was elected leader of the party and was appointed as the new Defence Minister.⁹

13. Nomi Bar-Yaacov, an independent foreign policy adviser, expanded on the troubles of the current Government in Israel. She argued:

Kadima's political platform has gone. The party won the election on a platform of unilateral disengagement and, because that (policy) failed in Lebanon and in Gaza, it (unilateral disengagement) is unlikely to happen again in the near future. The question is what is it (the party) standing for. I do not think that Kadima is going to be there for that much longer—certainly not as the leading power in Israeli politics.¹⁰

Ms Bar-Yaacov also highlighted the possible return of Benjamin Netanyahu, Israel's former Prime Minister:

He is racing ahead in the polls. He has got so much more support. He has five times more support—four to five times, depending on the polls—than Kadima or any other party at the moment. We all know who he is and what he stands for. He is a quite hardcore, right-wing politician. He stayed with Likud when Sharon split into the centre, into Kadima. He not only has a lot of financial support, but has a lot of public support.¹¹

14. We asked about the views of the Israeli population for a two-state solution. Mr McDonald told us that recent polling suggested up to 74% support for this.¹² Dr Rosemary Hollis, Director of Research at Chatham House, said that she had found five different substantive views amongst the Israeli population. She agreed that around 75% wanted some form of Palestinian state. However, their views as to what type of state it should be differed:

One of those versions involves the Palestinian state being more Jordan than it is Gaza. That is a hunk of the West Bank would be attached to Jordan, and Egypt would have to pick up the impossibility of the Gaza strip and helping it function somehow—that kind of thing.

You can get the Israelis to hypothesise any number of solutions to their conflict with the Palestinians. I think it would need even more than a strong leader to galvanise them and deliver any one of those. [...] If we are to wait for an Israeli leader to solve the problem, we can forget it.¹³

⁹ "New Israel defence minister named", *BBC News Online*, 15 June 2007, news.bbc.co.uk

¹⁰ Q 58

¹¹ Q 59

¹² Q 24

¹³ Q 63



Source: International Crisis Group

The Occupied Palestinian Territories

15. The Occupied Palestinian Territories have been marked by instability and political uncertainty in recent months, culminating in the dramatic events of June 2007. This section considers a number of inter-related issues, including the Quartet's three principles for engaging with Hamas, the EU's Temporary International Mechanism (TIM), the Mecca agreement, the rise and fall of the national unity Government, and broader questions about the role of regional states and the international community in the politics of the Occupied Palestinian Territories.

The Committee's June 2006 Report

16. It is worth beginning by restating the developments noted and conclusions drawn with regard to the Occupied Palestinian Territories in our final Report on *Foreign Policy Aspects of the War against Terrorism*. This Report was published in June 2006. The Report

considered a wide range of issues, including political developments in the Occupied Palestinian Territories, international aid to the Palestinians, and Israel's unilateral withdrawal from the Gaza Strip. The key aspects relating to the Occupied Palestinian Territories are as follows:

- Hamas had won the January 2006 legislative elections for the Palestinian Authority with 74 seats as compared to Fatah's 45, and thus held ministerial positions. However, much executive authority remained with President Mahmoud Abbas, a member of Fatah;
- Hamas is regarded as a terrorist organisation because of its past attacks on Israeli civilians. The British Government had no dealings with it. We concluded that this was an appropriate policy to take;
- One quarter of Palestinian households are directly dependent on a public sector wage-earner. Israel took the decision to cut off customs revenues payable to the Palestinian Authority and many international donors, including the Government, suspended direct aid following Hamas' election victory. At the time our Report was published, the EU had announced that it would be establishing a Temporary International Mechanism, designed to pay Palestinian workers but by by-passing Hamas, from the beginning of July 2006. We concluded that it was right for the Government to refuse to channel its aid through a Palestinian administration led by Hamas, and we endorsed the three Quartet principles of non-violence, recognition of Israel and acceptance of previous agreements and obligations. Hamas would have to meet these principles for direct aid to be resumed. However, we further concluded that "it is important the Palestinian people are not punished for exercising their rights as voters";
- We reiterated the Committee's previous conclusions on the illegality of the route of Israel's security barrier. We noted that in mid-June 2006, Hamas had resumed rocket fire against Israeli targets for the first time in nearly 18 months in response to an alleged Israeli naval strike on 9 June, in which seven Palestinians were killed on a Gaza beach. In May 2006, fighting broke out between Palestinian security force under the authority of President Abbas and militants loyal to Hamas.¹⁴

We now consider how these issues have developed over the previous year.

Developments Leading to the Mecca Agreement

17. On 8 February 2007, President Abbas and Khaled Mashaal (the leader-in-exile of Hamas) signed an agreement in the holy city of Mecca in Saudi Arabia. This agreement established a national unity Government in the Occupied Palestinian Territories.¹⁵ It is sensible for a number of reasons to divide our analysis into pre- and post-Mecca. This section considers political, economic and security developments in the period from June 2006 until the signing of the Mecca agreement.

¹⁴ Foreign Affairs Committee, Fourth Report of Session 2005–06, *Foreign Policy Aspects of the War against Terrorism*, HC 573, paras 183–216

¹⁵ Q 1

Kidnap of Corporal Gilad Shalit and the Israeli Reaction

18. Israel had withdrawn unilaterally from the 141 square miles of the Gaza Strip in August 2005. We noted above that in mid-June 2006, Hamas had resumed rocket fire from the Gaza Strip against Israeli targets following an alleged Israeli strike that killed a number of people on a beach in Gaza. The situation escalated significantly on 25 June 2006, when Palestinian militants kidnapped an Israeli soldier, Corporal Gilad Shalit, in an attack on an Israeli border post. The British Government has since repeatedly called for Corporal Shalit's immediate and unconditional release.¹⁶ In a written answer on 22 March 2007, Lord Triesman said Corporal Shalit had been kidnapped by Hamas itself.¹⁷ The incident leading to his capture left two Israeli soldiers and two militants dead. In response, Israel launched an invasion of the Gaza Strip, seizing eight Hamas ministers, as well as other MPs and officials.¹⁸

19. Our colleagues on the International Development Committee (IDC) commented that Gaza was subject to an "intensified military assault" by Israel over the following five months. They tell how, on 7 November 2006, 19 Palestinian civilians, including 14 women and children, were killed by Israel in the town of Beit Hanoun.¹⁹ At the time, the then Foreign Secretary commented that "it is hard to see what this action was meant to achieve and how it can be justified [...] Israel must respect its obligation to avoid harming civilians." Israeli politicians expressed their regret at the incident.²⁰ The IDC was subsequently told that the incident occurred due to a "technical error". In its Report, it went on to note that a ceasefire agreed between Israel and the Palestinians on 28 November 2006 helped prevent the occurrence of revenge attacks.²¹ In June 2007, Hamas released what it claimed was a tape of Corporal Shalit. It is demanding the release of Palestinian political prisoners as an exchange but Israel has refused to negotiate.²² Israel continues to detain around a third of the 132 elected Members of the Palestinian Legislative Council (most are from Hamas). The new Foreign Secretary, Rt Hon David Miliband MP, has said that "they should either be charged or released."²³

20. In 2006, 661 Palestinians died as a result of Israeli military action. In the same period, 23 Israelis were killed by violence both inside and outside the Occupied Territories.²⁴ The Israeli human rights group B'Tselem stated that at least 332 of the Palestinians had taken no part in hostile acts, and that the figure included 141 children.²⁵

¹⁶ HC Deb, 4 July 2006, col 223WH

¹⁷ HL Deb, 22 March 2007, col 218WA

¹⁸ "Israel seizes Hamas legislators", *BBC News Online*, 29 June 2006, news.bbc.co.uk

¹⁹ International Development Committee, Fourth Report of Session 2006–07, *Development Assistance and the Occupied Palestinian Territories*, HC 114-I (2006–7), paras 11–12

²⁰ "In quotes: Gaza attack reaction", *BBC News Online*, 8 November 2006, news.bbc.co.uk

²¹ International Development Committee, *Development Assistance and the Occupied Palestinian Territories*, paras 11–12

²² "Hamas airs 'first Shalit message'", *BBC News Online*, 25 June 2007, news.bbc.co.uk

²³ HC Deb, 3 July 2007, col 808

²⁴ HC Deb, 5 July 2007, col 340WH

²⁵ "Palestinian deaths rose in 2006", *BBC News Online*, 28 December 2006, news.bbc.co.uk

The Economic Situation and the Temporary International Mechanism

21. As noted above, the international community halted all aid to the Palestinian Authority once Hamas took office in March 2006. Israel also withheld tax revenues. Ed Balls, then Economic Secretary to the Treasury, gave a speech to Chatham House on 19 June 2007 setting out the economic situation in the Occupied Palestinian Territories. Some of his key points were as follows:

- There has been a 40% fall in per capita GDP amongst Palestinians since the start of the second intifada in 2000. This is twice as severe as both of the two worst years of the US Great Depression in the 1930s.
- The Palestinian Authority's finances were already in a "precarious" position before the advent of the Hamas government. The arrival of Hamas and the suspension of international aid has left the Palestinian economy "extremely weak", and "growing poverty and unemployment have fuelled the spiral of instability". Particularly damaging to the PA's revenue stream was Israel's decision to freeze tax revenue payments. Unemployment is nearly 50% in Gaza.
- With the advent of the Temporary International Mechanism, aggregate EU assistance to the Palestinian people rose by 27% last year to over 650m euros. This was one factor in helping to slow the shrinkage in the Palestinian economy from an anticipated 26% at the start of the year to an estimated 5–10% at the end of the year.²⁶

22. Dr Gooderham told us that he rejected claims that the international community was not doing enough to protect Palestinian people:

Our assistance over the last year has reached record levels and the UK, for its part, is one of the biggest donors among the EU member states. Our contribution bilaterally last year was £30 million. If you add the contribution that we give on a pro rata basis to the European Commission's funds, we gave over £70 million last year.²⁷

However, this has not been enough to halt the decline. Nomi Bar-Yaacov argued that a problem with the TIM was that it "gives money to employees. It is not an economy."²⁸ Dr Hollis criticised the fact that it took six months for the EU to adjust to Hamas' victory.²⁹ In February 2007, Oxfam claimed that two-thirds of Palestinians lived in poverty, a rise of 30% on the previous year. More than half of Palestinians were "food insecure" and the health and education systems were "disintegrating" to the point of "meltdown".³⁰ The International Crisis Group argued that the international "sanctions" and financial fragmentation (a consequence of bypassing the finance ministry) had left the PA's institutions on the verge of collapse.³¹ Dr Gooderham, giving evidence in February,

²⁶ "Towards a Middle East Economic Roadmap", 19 June 2007, www.hm-treasury.gov.uk

²⁷ Q 7

²⁸ Q 68

²⁹ Q 56

³⁰ "Middle East Quartet should end Palestinian Authority aid boycott and press Israel to release confiscated taxes. Increasing levels of poverty - health and education near melt-down - peace further away", 21 February 2007, www.oxfam.org.uk

³¹ International Crisis Group, *After Mecca: Engaging Hamas*, 28 Feb 2007, p 6

commented that the Palestinians' "plight is awful, and getting worse."³² We consider the fate of the TIM in light of the events of June 2007 later in this chapter.

23. We conclude that the Temporary International Mechanism has played a limited, but important, role in mitigating the economic and humanitarian crises in the Occupied Palestinian Territories. This crisis has been severe and its impact on the political and security situation, in particular in the Gaza Strip, should not be underestimated.

Intra-Palestinian Strife

24. As argued by Ed Balls, the "spiral of instability" experienced in the Occupied Palestinian Territories was fuelled by the growth in poverty and unemployment, in particular following Hamas' victory. The Israeli invasion of Gaza referred to above likely contributed to a growing sense of insecurity. This was accompanied by growing internecine conflict between Hamas and Fatah in the territory. Nomi Bar-Yaacov told us that at the time the Mecca agreement was signed, the only alternative would have been civil war in Gaza.³³

25. An International Crisis Group report, published on 28 February 2007, considered a number of security issues in the Occupied Palestinian Territories. It argued that with the international boycott of the Palestinian Authority, there had been a "collapse of law and order," particularly in Gaza. "Families, clans and armed factions" were increasingly becoming the units of loyalty.³⁴ It referred to the establishment by Hamas of the Executive Security Force (ESF), which was formed and deployed in Gaza in April 2006 because of the Islamist movement's fears that the 70,000 strong traditional security forces in both Gaza and the West Bank remained loyal to Fatah.³⁵ In February, Nomi Bar-Yaacov estimated the strength of the ESF as "at least 6,000" and noted that it was complemented by the armed wing of Hamas, the "Ezzedin al-Qassam".³⁶ The International Crisis Group reports how the ESF, under the direction of Hamas, repeatedly engaged in a "bloody power struggle" with Fatah operatives, leading to "widespread public disgust" with both movements.³⁷ Nomi Bar-Yaacov told the Committee that Hamas appeared to have come out on top when it overran Fatah positions and "showed that it potentially has the upper hand in terms of force." In the meantime, both factions were re-arming themselves rapidly through tunnels from Egypt.³⁸

The Mecca Agreement

26. The increased factional conflict in the Gaza Strip led, eventually, to Fatah and Hamas agreeing to form a national unity Government when their respective leaders met in Mecca

³² Q 8

³³ Q 53

³⁴ International Crisis Group, *After Mecca: Engaging Hamas*, 28 February 2007, p 9

³⁵ Ibid, p 11

³⁶ Q 68

³⁷ International Crisis Group, *After Mecca: Engaging Hamas*, 28 February 2007, p 13

³⁸ Q 53

in February 2007. Dr Gooderham told us in February that, under the Mecca agreement, “the Ministries will be shared out between Hamas, Fatah and some of the other political groupings in the Palestinian Territories.”³⁹ The agreement gave Hamas the largest number of members in the Government, including the position of Prime Minister, but it was agreed that independents would take the positions of Interior and Finance Ministers.

27. Dr Rosemary Hollis argued that the Mecca agreement and the establishment of a national unity Government in the Occupied Palestinian Territories had been the best possible outcome:

The alternatives included, first, the complete collapse of the Palestinian Authority; secondly, an internal Palestinian war, which we have seen a bit of already, and which would result in a very chaotic situation in the West Bank and Gaza; and thirdly, a dysfunctional situation in which Hamas struggles on.

Nomi Bar-Yaacov agreed, telling the Committee that “but for Mecca, we would be in a dreadful place.”⁴⁰ In the same evidence session, Dr Peter Gooderham suggested that to the extent that Mecca was able to bring about a cessation of violence, “it has been a success.” He noted that this attempt to restore peace was the main objective for President Abbas at Mecca.⁴¹

28. When we took evidence from Dr Gooderham, the national unity Government had not yet been established. He stressed that for the international community, it was important that the programme of the new Government should “reflect the three principles” of the Quartet (non-violence, recognition of Israel and acceptance of past agreements). This, he said, “would enable us to engage with them.” He told us that it was “not clear” whether the text of the agreement reflected the three principles, but he argued that “this is a process”, suggesting that further movement towards the principles may occur.⁴² Dr Gooderham’s repeated use of the word “reflect” was significant, hinting that the Government was not ruling out the possibility of engagement with a Palestinian Government that did not explicitly and indisputably meet the three principles. He described this as a “wait-and-see” policy.⁴³

29. In the text of the agreement, Hamas had pledged to “respect” existing agreements between Israel and the PA. The Financial Times wrote that:

Under Mecca, the Islamists do not, and Hamas will not, recognise Israel. They do, however, accept not only the 1993–98 Oslo series of PLO-Israel deals but the 2002 Arab League peace plan—spurned by Israel. That offers Israel full peace if it withdraws from Arab land seized in the 1967 Arab–Israeli war. That would mean Israel giving up most of the illegal West Bank settlements as well as occupied Arab east Jerusalem.

³⁹ Q 1

⁴⁰ Q 53

⁴¹ Q 3

⁴² Qq 2, 3

⁴³ Q 21

The newspaper argued that this amounted to “implicit recognition” of Israel and suggested that the international boycott of the PA should be ended. To do otherwise, it argued, would only serve to increase the influence of Iran in the Occupied Palestinian Territories.⁴⁴

30. Dr Gooderham told us that “the whole international community applauded” the role of the Saudis in brokering the Mecca agreement.⁴⁵ The Saudi Government was reported to have cemented the deal with \$1 billion in aid to the Palestinian Authority.⁴⁶ It was also of course required to engage with Hamas directly, something that the British Government refuses to do. We asked Dr Howells if there wasn’t a contradiction in applauding Saudi engagement whilst refusing to engage ourselves. He replied:

[I]t might be stating the obvious to say that we are not the Saudi Government or the Saudis. They have a different standing in the Middle East from ours and a different attitude towards this problem. We are glad to see that they have taken on this new diplomatic initiative. They are very energetic [...] Our political objectives might ultimately be the same as theirs—two stable states living alongside each other—but we have a different way of coming at it. We are glad to see that the Saudis have taken this initiative.⁴⁷

Dr Howells told us that it was not a viable position for the Government to risk money going to Hamas if “they were using it to fund the families of suicide bombers.” He stated that the financial boycott of Hamas had put “pressure” on it to realise it had to act with “responsibility”.⁴⁸ Yet it is almost certain that a large chunk of the \$1 billion aid provided by Saudi Arabia would have gone into Hamas’ coffers. If part of the rationale of the economic boycott of the Palestinian Authority was to pressurise Hamas into adopting a more moderate position, then the Saudi money would appear to have undermined this policy. It seems to us that encouraging this mixed approach risks diluting the international community’s efforts.

The Response to Mecca

31. On 21 February, the then Prime Minister Rt Hon Tony Blair MP remarked that it would be “far easier to deal with the situation in Palestine if there is a national unity Government,” adding that “I hope we can make progress, including even with the more sensible elements of Hamas.”⁴⁹ When we asked Dr Howells to clarify the then Prime Minister’s comments, his answer revealed that the Government, at that point, did not view the three principles as explicit ‘red lines’:

As I interpret the Prime Minister’s analysis, those elements within Hamas would have to be part of the national unity Government and subscribe to a general

⁴⁴ “Mecca’s glimmer of hope for Palestinians”, *Financial Times*, 12 February 2007

⁴⁵ Q 4

⁴⁶ “Islamic Jihad to support new PA gov’t”, *Jerusalem Post*, 8 February 2007

⁴⁷ Q 134

⁴⁸ Q 143

⁴⁹ “Blair hints UK may deal with Hamas”, *Financial Times*, 21 February 2007

statement by that Government that would go some way at least towards the Quartet's principles. If that happened, we could contemplate talking to Hamas.⁵⁰

32. We asked our independent experts what the Government's response to the Mecca agreement should be. Dr Hollis argued that:

Signs need to be given to the Palestinians of both factions that there will be benefits for them to come up with a better joint position than they have at the moment. Otherwise there will be a repeat of what happened with Iraq [...] My concern would be that, while fiddling around waiting for everybody to agree or to get a better position out of Hamas or the Palestinians, events move on and two years down the line somebody will be asking, including in America, 'Whose decision was it to let this situation drift so that we have no Palestinian Authority?'⁵¹

Ms Bar-Yaacov asserted that:

The wait-and-see policy should be turned into a rather more proactive policy of seeing how we can support the formation of a national unity Government and how we could work with them, given that the alternative is dire.⁵²

She warned that if the national unity Government "does not get the international community's backing and recognition, we will see a return to violence very quickly."⁵³ These are sobering remarks in the context of the events of June 2007, and we will return to consider them later.⁵⁴

33. On 15 March 2007, the Hamas Prime Minister Ismail Haniyeh unveiled the new national unity Government. The key posts of Interior and Finance Ministers were given to independents (the latter being Salam Fayyad).⁵⁵ In its first engagement with the Palestinian Authority since Hamas won the 2006 election, a senior US official met Mr Fayyad soon after he took office.⁵⁶ The British Government adopted a similar approach. Dr Howells set out this policy in a written answer:

We will judge the Palestinian Government by their platform and actions and respond accordingly [...] No Hamas members of the current Government have yet made clear that they have accepted [the Quartet's] principles. We are working with those members of the Government who do.⁵⁷

34. In a confidential 'End of Mission' report written in May 2007 (leaked to *The Guardian*), the UN's Middle East envoy, Alvaro de Soto, discussed the formation of the national unity Government and its relationship with the three Quartet principles. He argued that Hamas

⁵⁰ Q 146

⁵¹ Q 57

⁵² Q 55

⁵³ Q 54

⁵⁴ See paras 42–50 below

⁵⁵ "Palestinian PM unveils unity team", *BBC News Online*, 15 March 2007, news.bbc.co.uk

⁵⁶ HL Deb, 23 March 2007, col 1230

⁵⁷ HC Deb, 4 June 2007, col 244W

was keen to establish a national unity Government by February or March 2006, and that there was some support for this in Fatah. However, the United States “made it known that it wanted Hamas to be left alone to form its Government” so that it could be confronted and ideally toppled by Fatah.⁵⁸ He pleaded to the senior leadership of the United Nations:

Please remember this next time someone argues that the Mecca agreement, to the extent that it showed progress, proved that a year of pressure ‘worked’, and that we should keep the isolation going. On the contrary, the same result might have been achieved much earlier without the year in between in which so much damage was done to Palestinian institutions, and so much suffering brought to the people of the occupied territory, in pursuit of a policy that didn’t work, which many of us believed from the outset wouldn’t work, and which, I have no doubt, is at best extremely short-sighted.⁵⁹

Mr de Soto’s view is corroborated to a large degree by reports from the very day of Hamas’ election victory in January 2006 that it wanted to enter into a political partnership with Fatah.⁶⁰

35. Nomi Bar-Yaacov provided us with a similar analysis of the way in which the international community had dealt with the Palestinians following Hamas’ election victory in January 2006. She believed that the international community had “tried a certain policy with Abbas and it failed.” She argued that the British Government “must come to terms with the fact that Hamas is there for the duration. Hamas is not going to go anywhere; it is part of the fabric of Palestinian society.”⁶¹ She suggested to the Committee that President Abbas had to accept the Mecca agreement “in its current form” (i.e. without major policy shifts by Hamas) because “he did not get anything from the US” that could have provided incentives for Hamas to change its policies.⁶²

36. We conclude that the decision not to speak to Hamas in 2007 following the Mecca agreement has been counterproductive. We further conclude that a national unity Government could and should have been established much earlier than the spring of 2007. We recommend that, in its response to this Report, the Government set out when it began to actively support the establishment of a national unity Government in the Occupied Palestinian Territories.

37. The national unity Government required a response on two fronts. The first, as we have seen, was political, and the response of much of the international community was to engage with those members of the Government that accepted the Quartet’s principles. The second response was economic. As we noted earlier in this chapter, the EU and US had suspended all direct aid to the Hamas administration since its election, a policy that this Committee supported with the proviso that the Palestinian people should not be

⁵⁸ Alvaro De Soto, *End of Mission Report*, May 2007, p 21, available at www.guardian.co.uk

⁵⁹ *Ibid*, p 21

⁶⁰ “Hamas sweeps to election victory”, *BBC News Online*, 26 January 2006, news.bbc.co.uk

⁶¹ Q 68

⁶² Q 57

themselves punished. On the day the national unity Government was announced, the German EU Presidency issued a statement. It said:

Mindful of the needs of the Palestinian people, the EU is committed to continuing its vital assistance through the Temporary International Mechanism until the financial situation and future needs can be assessed and a more sustainable framework for assistance can be established.⁶³

Days later, the Quartet endorsed,

the continuation of the Temporary International Mechanism (TIM) for a three-month period while it evaluates the situation and the international community works to develop a more sustainable international mechanism for support to the Palestinians.⁶⁴

This decision to continue with the TIM meant that the financial boycott of the Palestinian Authority remained in place, but press reports at the time suggested that the “more sustainable framework” called for by the EU included proposals to channel funds through the Finance Ministry of Mr Fayyad.⁶⁵ By May however, the Quartet’s language appeared to have abandoned talk of a new framework. Its statement on 30 May strongly reaffirmed support for the TIM:

The Quartet commended the excellent work of the Temporary International Mechanism (TIM) and endorsed its extension for three months from July until September 2007.⁶⁶

38. Dr Hollis had warned the Committee that the six months between the Hamas election and the establishment of the TIM in the first half of 2006 had been too long. She argued:

If another six months are spent adjusting to the unsatisfactory, inconclusive nature of the deal done in Mecca, an insufficient signal will be sent to the Palestinians—by that I mean both Fatah and Hamas.⁶⁷

As documented above, the Quartet announced in March that the TIM would be extended to July 2007 whilst a more appropriate vehicle for funds was found. In May, it was announced that the TIM would be extended to September 2007, and no reference was made to any attempts to find an alternative funding solution. Thus the Quartet was anticipating the continuation of its pre-Mecca economic sanctions of the Palestinian government for at least six months following the establishment of the national unity Government, and seven months following the Mecca agreement itself. In April, Finance Minister Fayyad appealed to the European Commission for direct financial aid to avert a

⁶³ “Declaration by the Presidency of the EU on the Formation of a Palestinian Government of National Unity”, 17 March 2007, www.eu2007.de/en/News/

⁶⁴ “Quartet Statement – Telephone Conference”, March 21 2007, www.fco.gov.uk

⁶⁵ “EU welcomes Palestinian unity government”, *Reuters*, 17 March 2007

⁶⁶ “Quartet’s Statement on the Middle East”, 30 May 2007, www.fco.gov.uk

⁶⁷ Q 56

“devastating humanitarian crisis” but instead he was offered technical assistance for his Ministry so that it would be better placed to receive aid in the future.⁶⁸

39. There appears to have been little difference in the fundamental economic relationship between the EU and the Palestinian Authority in the pre- and post-Mecca arrangements, and there seems to have been little sense of the urgency that Dr Hollis had called for to create conditions in which this relationship could be changed. Dr Howells’ written answer above stated that the Government was “working with” members of the Palestinian Authority that accepted the three Quartet principles. Given the lack of movement on the economic boycott, we must seriously question the extent to which this engagement was substantive.

40. A swift change of policy would have demonstrated that the international community was eager to provide genuine financial support to moderates in the Palestinian Authority. The decision to continue to refuse to provide direct aid, even to the moderates, helped to boost the perception that the measures were punishing the Palestinian people.

41. We conclude that the unwillingness of the EU to modify the financial boycott of the Palestinian Authority following the Mecca agreement was very damaging. The international community failed to prepare and implement rapid economic solutions to reward those elements within the national unity Government that respected the three Quartet principles. We recommend that, in its response to this Report, the Government provide an assessment of whether it believes in hindsight that the EU and the rest of the international community acted with sufficient urgency to create conditions in which direct aid could be restored as soon as possible. We also recommend that the Government in its response to this Report should clarify the extent to which difficulties in restoring aid to the national unity Government in 2007 were due to the impact on the institutions of the Palestinian Authority of the suspension of aid in 2006.

The Collapse of National Unity

42. On 14 June 2007, President Abbas dissolved the national unity Government. The next day, Mr Fayyad was appointed as the Prime Minister of a new emergency Government.⁶⁹ These dramatic steps followed the brutal military takeover of the Gaza Strip by Hamas forces. This section briefly sets out the pattern of events that led to the collapse of the Mecca agreement, in particular considering whether the Government, as part of the international community, could have done more to prevent the total breakdown of June 2007. We then turn to assessing the UK’s response to the establishment of Mr Fayyad’s emergency Government.

43. The Mecca agreement itself had been signed in a bid to prevent civil war amongst the Palestinian people. In the month the agreement was signed, we asked Nomi Bar-Yaacov how long she felt the Government could adopt a “wait-and-see” approach. She replied:

⁶⁸ “Fayyad tells EU new PA unity gov’t needs over \$1.3 billion in aid”, *Reuters*, 11 April 2007

⁶⁹ “Abbas appoints new Palestinian PM”, *BBC News Online*, 15 June 2007, news.bbc.co.uk

Not too long, because the guns are back. The euphoria of the Mecca agreement did not last very long in Gaza. [...] Today, we see that the guns are back in the streets. We see the executive force of Hamas displaying its arms and flexing its muscle, particularly in the evacuated settlements. We also see the presidential guard, Abbas's force, displaying its armour in the streets. There is a lot of tension in Gaza at the moment.⁷⁰ [...] If the national unity Government does not succeed and does not get the international community's backing and recognition, we will see a return to violence very quickly.⁷¹

44. Dr Hollis told the Committee:

Fatah needs to know that there are rewards for working with the status quo. So far it has had signals that if it waits on the sidelines, the international community will bring down Hamas and then Fatah can come back to power. That has not been a very productive signal to send.⁷²

Yet as we have seen in the section above, the international community offered next to no financial incentives for the non-Hamas members of the national unity Government to work with the status quo. We judge that they had little stake in this Government and we agree with Dr Hollis that this was not a productive signal to send.

45. The arming in the Gaza Strip, as Ms Bar-Yaacov told us, was not restricted to one faction. As early as November 2006, *The Times* reported that the United States was attempting to strengthen Fatah's security forces with extra arms and men. One western official told the newspaper "as far as we are concerned, what the Americans are proposing to do is back one side in an emerging civil war." Another international observer made a similar comment:

A lot of what the Americans were saying was, 'If there is going to be a fight, we might as well make sure the right person wins.' We would have a difference of opinion there. You really don't want to be encouraging a civil war.⁷³

In April 2007, the US Congress approved a \$59 million package for the Occupied Palestinian Territories. As the financial boycott of the Palestinian Authority was still in place, these funds did not go to Prime Minister Haniyeh's national unity Government. The aim of the funds, which had received Israeli approval, was to "transform and strengthen" Mr Abbas' elite Presidential Guard forces. They received \$43.4 million. This included \$3 million for Mr Abbas' national security adviser, Mohammed Dahlan.⁷⁴ At the time, Mr Dahlan was the Fatah strongman in the Gaza Strip and has long been a powerful opponent of Hamas.⁷⁵ There have been suggestions that the intentions of the US may not have been pure. In his 'End of Mission' report, Alvaro de Soto, the then UN Middle East envoy, tells how, a week before Mecca (when civil war looked possible), the US envoy declared twice in

⁷⁰ Q 55

⁷¹ Q 54

⁷² Q 56

⁷³ "Diplomats fear US wants to arm Fatah for 'war on Hamas'", *The Times*, 18 November 2006

⁷⁴ "Congress okays \$59m in U.S. funds for Abbas' security forces", *Reuters*, 10 April 2007

⁷⁵ "Where in the world is Fatah's strongman Dahlan?", *Jerusalem Post*, 13 June 2007

one meeting that “I like this violence [...] it means that other Palestinians are resisting Hamas.”⁷⁶

46. The events of June 2007 were, at their core, change rooted in violence. The United Nations Office for the Co-ordination of Humanitarian Affairs has stated that between 9 and 13 June, 110 Palestinians were killed and over 550 injured as a result of inter-factional fighting.⁷⁷ The Hamas Executive Security Force took over the Palestinian Authority’s security and military intelligence headquarters following a three-day siege. Many of the Fatah militia in the Gaza Strip were routed.⁷⁸ The Presidential compound was also seized as Hamas took full control of the territory.⁷⁹ The leading international human rights organisation Human Rights Watch said that both sides were guilty of serious atrocities:

Both Fatah and Hamas military forces have summarily executed captives, killed people not involved in hostilities, and engaged in gun battles with one another inside and near Palestinian hospitals [...]

On Sunday, Hamas military forces captured 28-year-old Muhammad Swairki, a cook for President Mahmoud Abbas’s presidential guard, and executed him by throwing him to his death, with his hands and legs tied, from a 15-story apartment building in Gaza City. Later that night, Fatah military forces shot and captured Muhammad al-Ra’fati, a Hamas supporter and mosque preacher, and threw him from a Gaza City high-rise apartment building.

Human Rights Watch said both Fatah and Hamas were guilty of “the most brutal assaults on the most fundamental humanitarian principles.”⁸⁰

47. President Abbas called Hamas’ actions a “military coup.” He used his authority as President to dissolve the national unity Government and establish a largely independent emergency Government under the leadership of Mr Fayyad. Ismail Haniyeh, the Hamas Prime Minister of the national unity Government, insisted that his dismissal was unconstitutional. In effect, rival institutions were now running the two Occupied Palestinian Territories: Hamas in the Gaza Strip, independents and Fatah in the West Bank.⁸¹

48. The response of the British Government was clear. Responding to urgent questions in the House, Dr Howells said:

The emergency Government, who were sworn in on 17 June, have our full support. We will continue to work with all those, including President Abbas, who are dedicated to achieving a peaceful resolution to the conflict. The emergency Prime

⁷⁶ Alvaro de Soto, *End of Mission Report*, May 2007, p 21

⁷⁷ Office for the Co-ordination of Humanitarian Affairs, *Situation Report Gaza*, 15 June 2007

⁷⁸ “Hamas declares victory”, *The Guardian*, 15 June 2007

⁷⁹ “Hamas takes full control of Gaza”, *BBC News Online*, 15 June 2007, news.bbc.co.uk

⁸⁰ “Gaza: Armed Palestinian Groups Commit Grave Crimes”, 13 June 2007, www.hrw.org

⁸¹ “Abbas bypasses Hamas in new cabinet”, *Financial Times*, 17 June 2007

Minister, Salam Fayyad, has said that his priorities are restoring security and improving the economic and humanitarian situation, and we share those goals⁸² [...]

This happened as quickly as it did because Hamas committed nothing less than a coup d'état. Those generally happen quickly, and this one was brutal.⁸³

In a show of support to the new Government, the European Union and United States swiftly lifted the financial boycott of the Palestinian Authority once the new administration was sworn in.⁸⁴

49. Dr Howells argued that the “terrible inter-factional fighting among Palestinians is a result of Hamas’ decision to mount a coup d’etat.”⁸⁵ However, as documented earlier in this Report, the inter-factional fighting began long before June 2007. Many factors fuelled the violence, including the economic deprivation in the Occupied Palestinian Territories, divisions within Fatah, a power struggle between Hamas and Fatah, the role of other militant groups, the refusal of the EU and US to engage with Hamas and the general escalation of criminality in the Gaza Strip. In her written submission, Nomi Bar-Yaacov stressed the importance of acknowledging that Hamas viewed its move as “a pre-emptive strike against Fatah.”⁸⁶ Indeed, the new Foreign Secretary has told the House that “the feuding between Hamas and Fatah representatives and supporters has deep roots.”⁸⁷

50. We conclude that the actions of both Hamas and Fatah militia forces in the Gaza Strip were deplorable and should be condemned by all. However, the escalation of violence in June 2007 should not have come as a surprise to the UK Government or any of its international partners. We conclude that the decision to boycott Hamas despite the Mecca agreement and the continued suspension of aid to the national unity Government meant that this Government was highly likely to collapse. We further conclude that whilst the international community was not the root cause of the intra-Palestinian violence, it failed to take the necessary steps to reduce the risk of such violence occurring.

Looking Ahead

51. This Report has been prepared at a time of great uncertainty as to the future of the Occupied Palestinian Territories. This section considers the possible options open to the Government as it considers its response to recent developments.

52. We noted above that the EU and US have both decided to restore bilateral aid to the Palestinian Authority following the establishment of Prime Minister Fayyad’s emergency Government. Israel suspended payment of all of the VAT and customs revenues owed to the Palestinian Authority following the 2006 elections (roughly \$55 million a month). In

⁸² HC Deb, 18 June 2007, col 1075

⁸³ HC Deb, 18 June 2007, col 1077

⁸⁴ “U.S. Lifts Embargo To Help Abbas”, *Washington Post*, 19 June 2007

⁸⁵ HC Deb, 18 June 2007, col 1081

⁸⁶ Ev 140

⁸⁷ HC Deb, 3 July 2007, col 808

December 2006, it promised to pay President Abbas \$100 million.⁸⁸ It has since announced that the remainder of the funds will be paid back to the Palestinians. The Parliamentary Under-Secretary of State for International Development, Shahid Malik MP, has estimated that this figure will be “circa \$800 million.” He argued that the “entirety” of the money “needs to be released.”⁸⁹

53. The Foreign Secretary has said that Prime Minister Fayyad and President Abbas should “develop institutions capable of representing the aspirations of all Palestinian people.”⁹⁰ In her written submission, Nomi Bar-Yaacov argued that the fact that the emergency Government excludes both Hamas and Fatah means that “it cannot represent the Palestinian people for long.”⁹¹ The Parliamentary Under-Secretary of State for International Development has remarked that there can be no sustainable solution “without the inclusion of Hamas”. However, he went on to state that Hamas has “obligations” (the three Quartet principles) and that “we expect them to be adhered to”.⁹²

Alan Johnston

54. On 12 March 2007, the BBC journalist Alan Johnston was kidnapped in the Gaza Strip. His capture was met with a wave of protest amongst Palestinian journalists around the world. In April, the British Consul-General in Jerusalem travelled to Gaza to meet with the then Hamas Prime Minister, Ismail Haniyeh, despite the EU and US boycott of the movement.⁹³ A further meeting between the two was held as part of what the Consul-General described as “continuous contact”.⁹⁴ Hamas repeatedly called for Mr Johnston’s release, and following its take-over of Gaza in June, it pushed harder to secure his freedom. It launched a crackdown against the militant ‘Army of Islam’ that was holding the journalist, and helped to secure his release on 4 July.⁹⁵ Responding to the release, the Foreign Secretary said:

Ismail Haniya and Hamas spokesmen denounced the hostage-takers and demanded Alan’s release. I fully acknowledge the crucial role they have played in securing this happy outcome.⁹⁶

The West Bank and the Gaza Strip

55. The writ of Prime Minister Fayyad’s emergency Government, which is based in the West Bank, does not run in the Gaza Strip. The international community has demonstrated its support for this Government, and has done nothing to suggest that the political boycott of Hamas will be reversed. Some have argued that the EU and US will

⁸⁸ Q 8

⁸⁹ HC Deb, 5 July 2007, col 334WH

⁹⁰ HC Deb, 3 July 2007, col 797

⁹¹ Ev 138

⁹² HC Deb, 5 July 2007, col 333WH

⁹³ “Britain urges Hamas to help free journalist”, *The Independent*, 6 April 2007

⁹⁴ “UK envoy in Gaza Johnston talks”, *BBC News Online*, 8 May 2007, news.bbc.co.uk

⁹⁵ “BBC’s Alan Johnston is released”, *BBC News Online*, 4 July 2007, news.bbc.co.uk

⁹⁶ “In quotes: Johnston release reactions”, *BBC News Online*, 4 July 2007, news.bbc.co.uk

pursue a ‘West Bank first’ policy in which political negotiations between Israel and the emergency Government advance, whilst Gaza is further politically isolated. In her written submission, Nomi Bar-Yaacov argued that Gaza and the West Bank “must be treated as one entity for the purpose of peace negotiations. [...] Gaza must not be left behind in the political process.”⁹⁷

56. Robert Malley (Director of the Middle East programme at the International Crisis Group) and Aaron David Miller (a public policy scholar at the Woodrow Wilson Centre) strongly agree with Ms Bar-Yaacov’s approach. They argue that Fatah does not fully control the West Bank, and that Hamas retains much popular support there. They point out that most of the attacks against Israel in the West Bank have been carried out by groups linked to Fatah, not Hamas, despite President Abbas’ best efforts. They argue that Fatah is no longer ideologically or organisationally “coherent” as a movement. President Abbas could also be severely damaged by any moves that undermine the symbolic unity of the Occupied Palestinian Territories. They state:

Efforts to deepen the split between Hamas and Fatah or between Gaza and the West Bank will compound the disaster, for there can be no security, let alone a peace process, without minimal Palestinian unity and consensus.

They conclude that President Abbas will eventually be forced to pursue a new power-sharing agreement with Hamas, and that when this point comes, the international community must support any resulting national unity Government.⁹⁸ Ismail Haniyeh has sought a rapprochement with Fatah, although at the time of preparing this Report, President Abbas has rejected this route.⁹⁹

Engaging with Hamas

57. The three Quartet principles for the Palestinian Authority are non-violence, recognition of Israel and a commitment to previous agreements. The Government has made the case that Israel cannot be expected to enter into peace negotiations with a political group that does not recognise its existence.¹⁰⁰ We are sympathetic to this argument. However, the Quartet principles have not stopped Russia, a member of the Quartet, from engaging with Hamas.¹⁰¹ Such engagement can be used to encourage Hamas to adopt a position consistent with the three Quartet principles, so that it can become an acceptable partner for peace. Nomi Bar-Yaacov suggests that Hamas should be judged by its “performance”—i.e. it should be acknowledged that it is willing to negotiate with Israel on the basis of the 1967 borders, its willingness to accept many of the previous agreements entered into by the Palestinians (including Oslo) should be welcomed and its ability to hold a ceasefire and crack down on militant groups such as Islamic Jihad should be tested.¹⁰²

⁹⁷ Ev 138

⁹⁸ “‘West Bank First’: It Won’t Work”, *Washington Post*, 19 June 2007

⁹⁹ “Hamas hopeful after Alan’s release”, *BBC News Online*, 5 July 2007, news.bbc.co.uk

¹⁰⁰ “Press Conference with Mr Blair and Mr Olmert”, 12 June 2006, www.fco.gov.uk

¹⁰¹ Q 132

¹⁰² Ev 139

58. In its Report referred to above, the International Development Committee concluded:

We believe that the international community is right to place pressure on Hamas to change those policies which militate against a peace process. However this would best be achieved through dialogue and engagement rather than isolation. The danger of the current approach is that it might push Hamas into a corner which encourages violence rather than negotiation. The international community must also ensure it is not bolstering one faction against the other and thereby increasing the risk of internal strife.¹⁰³

We agree. As Nomi Bar-Yaacov argues, “the international boycott of Hamas has strengthened the extremes” whilst marginalising the more progressive elements within the organisation. She puts forward a strong argument that “engaging with the movement is the only way to prevent radical elements within the movement side-lining more pragmatic moderates.”¹⁰⁴

59. We conclude that the Government was right to make contact with Hamas in its efforts to secure the release of Alan Johnston. We welcome the role of Hamas in his release.

60. Given the failure of the boycott to deliver results, we recommend that the Government should urgently consider ways of engaging politically with moderate elements within Hamas as a way of encouraging it to meet the three Quartet principles. We conclude that any attempts to pursue a ‘West Bank first’ policy would risk further jeopardising the peace process. We recommend that the Government urge President Abbas to come to a negotiated settlement with Hamas with a view to re-establishing a national unity Government across the Occupied Palestinian Territories.

The Humanitarian Situation

61. Apart from humanitarian assistance, Gaza has been completely isolated by land, air and sea. As discussed elsewhere in this Report, the Rafah crossing between Egypt and Gaza was closed in early June 2007, leaving thousands of Palestinians stranded in the Sinai.¹⁰⁵ On 9 July 2007, the International Herald Tribune reported that what was left of the commercial sector in Gaza was shutting down because all entry points to Gaza were closed.¹⁰⁶ The Parliamentary Under-Secretary of State for International Development, Shahid Malik, said on 5 July 2007 that the EU Temporary International Mechanism will continue until the end of September.¹⁰⁷ Its importance will be greater in Gaza than in the West Bank, as the West Bank based Palestinian Authority will also begin to receive direct aid from the EU and US.

¹⁰³ International Development Committee, *Development Assistance and the Occupied Palestinian Territories*, para 17

¹⁰⁴ Ev 139

¹⁰⁵ “Ministers of Palestinian emergency government visit stranded Palestinians in Egypt”, *International Herald Tribune*, 8 July 2007

¹⁰⁶ “Economy in Gaza edges toward crisis”, *International Herald Tribune*, 9 July 2007

¹⁰⁷ HC Deb, 5 July 2007, cols 335–336WH

62. We noted earlier in this Report that the financial boycott of the previous Palestinian Government has damaged Palestinian institutions. We are concerned that the events of June 2007 will mean the Palestinian infrastructure in the Gaza Strip deteriorates further, deepening the humanitarian crisis there. Israel has decided to allow some humanitarian access to Gaza. It has mostly come through smaller crossings such as Sufa, whilst the main Karni crossing between Gaza and Israel has remained closed.¹⁰⁸ This was welcomed by Mr Malik. Speaking on 5 July, he stated that more than 130 truckloads of basic food and humanitarian supplies had got through to Gaza since 15 June. However, he argued that Gazans needed “more than the very basics [...] We are pressing Israel to ensure full humanitarian access to Gaza and to allow trade as soon as possible.”¹⁰⁹ The International Herald Tribune reported UN figures suggesting that the humanitarian supplies were only meeting 70% of the minimum food needs of Gaza’s population.¹¹⁰

63. In her written submission, Nomi Bar-Yaacov argued that “the crossings between Israel and Gaza should be opened urgently allowing the flow of goods to resume in order to avoid a humanitarian disaster.” She noted the importance of the flow of goods to the survival of the Palestinian economy. She also recommended that the EU work towards creating a Palestinian economy that would replace the Temporary International Mechanism.¹¹¹

64. We conclude that the Temporary International Mechanism needs to be replaced by a more permanent solution that can meet the profound humanitarian crisis in the Gaza Strip. We recommend that the Government continue to press Israel to ensure full humanitarian access to Gaza. We further recommend that, in its response to this Report, the Government set out its interpretation of Israel’s obligations under international humanitarian law and the responsibilities of the international community to ensure humanitarian provision for Gaza.

Quartet Representative

65. On 27 June 2007, former Prime Minister Tony Blair was appointed as the Quartet Representative. His mandate is to:

Mobilise international assistance to the Palestinians, working closely with donors and existing coordination bodies;

Help to identify, and secure appropriate international support in addressing, the institutional governance needs of the Palestinian state, focusing as a matter of urgency on the rule of law;

Develop plans to promote Palestinian economic development, including private sector partnerships, building on previously agreed frameworks, especially concerning access and movement; and

¹⁰⁸ “Economy in Gaza edges toward crisis”, *International Herald Tribune*, 9 July 2007

¹⁰⁹ HC Deb, 5 July 2007, cols 340WH

¹¹⁰ “Economy in Gaza edges toward crisis”, *International Herald Tribune*, 9 July 2007

¹¹¹ Ev 140

Liaise with other countries as appropriate in support of the agreed Quartet objectives.

He is charged with bringing “intensity of focus” to the Quartet’s work in supporting the Palestinian people. This is understood to be “within the broader framework” of the Quartet’s efforts to promote an end to the Israel–Palestine conflict.¹¹²

66. The former Prime Minister appears to have a narrow mandate—the focus is on developing Palestinian institutions rather than promoting Palestinian reconciliation or possible peace negotiations between the Israeli Government and the Palestinian President. In her written submission, Nomi Bar-Yaacov argued that his mandate should,

be expanded to include a serious political role if he is to stand a chance in succeeding in his mission. Mr Blair is unlikely to be able to achieve progress on the institution-building and economic front (his current mandate) unless his mandate is expanded to include a political and security role.¹¹³

There was a need, she said, for the issues of politics, economics and security to be considered in “tandem”. Ms Bar-Yaacov suggested that a past mistake of the Quartet was to let the US deal with political and security issues, whilst the UN and the EU focused on aid. The latter “found themselves pouring vast sums of money into a bottomless pit” due to continued insecurity. She remarked that the creation of a “unified and competent” security apparatus in the Occupied Palestinian Territories will be “one of the most difficult challenges” facing Mr Blair, but also “the most important one”, for which advancements in the political process would be required.¹¹⁴

67. We welcome the appointment of the former Prime Minister as the Quartet Representative. We recommend that he engage with Hamas in order to facilitate reconciliation amongst Palestinians. We further recommend that his mandate be broadened to include explicitly working with Israel, the Palestinians and regional states to advance peace negotiations.

The Middle East Peace Process

The Roadmap for Peace

68. Set against the backdrop of crisis in the Occupied Palestinian Territories and political uncertainty in Israel, the future of the Roadmap for Peace—the Quartet’s phased plan for a two-state solution—looks increasingly fragile.¹¹⁵ The initial Roadmap, agreed in 2003, envisaged a comprehensive agreement that “ends the Israel–Palestinian conflict in 2005.”¹¹⁶ Yet neither the Palestinians nor the Israelis have yet met the very first obligations required of them. On the Palestinian side, political leaders have proven unwilling or unable to

¹¹² “Quartet Statement”, June 27 2007, www.fco.gov.uk

¹¹³ Ev 138

¹¹⁴ Ev 140

¹¹⁵ For a summary of the process that led to the Roadmap for Peace proposals and the role of the Quartet, see Foreign Affairs Committee, Seventh Report of Session 2003–04, *Foreign Policy Aspects of the War against Terrorism*, HC 444

¹¹⁶ “A Performance-Based Roadmap to a Permanent Two-State Solution to the Israeli-Palestinian Conflict”, 30 April 2003, www.state.gov

prevent rocket fire against Israeli towns, and earlier this year we saw the highly disturbing return of suicide bombings with an explosion in Eilat in Israel.¹¹⁷ With regard to the Israelis, Nomi Bar-Yaacov told us about settlements in the West Bank:

There are 102 illegal outposts. Prime Minister Olmert has not dismantled one since he came to power. The Road Map calls for the halt of settlement expansion and the dismantling of illegal outposts. That is (Israel's obligation under) phase one of the Road Map. The Quartet goes on to demand certain conditions of the Palestinians, but I have not seen a demand made recently of the Israelis. I think that it is of utmost importance. [...] There are 121 official settlements throughout the West Bank and 102 illegal outposts and construction within those continues.¹¹⁸

Dr Rosemary Hollis emphasised the scale of Israeli growth in the West Bank:

If you look at the territory on the ground including the barrier, the route it takes, the major highways—some with six lanes—that carve through the land with embankments on either side, the confiscations that have taken place to build and install Israel's security arrangements and then you consider the settlement expansion, which is pretty much the expansion of the main settlement blocks, and the arrangements that are being made in the neighbourhoods of Jerusalem that make nonsense of any kind of city life, it is understandable why the Palestinians wonder what will be left at the end of the day for them to call a state.¹¹⁹

69. Nomi Bar-Yaacov's view that there is a lack of balance in the way the Quartet deals with Israeli and Palestinian violations of the Roadmap is backed up strongly by the views of the former UN Envoy to the Middle East, Alvaro de Soto. Mr de Soto argued that there was a lack of balance in Quartet statements, which has worsened in recent months. In a colourful statement, he claimed that "even-handedness has been pummelled into submission in an unprecedented way since the beginning of 2007." He argued that the Quartet, in failing to act even-handedly, needs to accept "its share of responsibility for feeding despair."¹²⁰ In its written submission to the Committee, the Church of England argued that the Quartet must balance demands of the Palestinians with "equally strong demands upon the Israeli government to cease from settlement activity." This failure, it suggested, has diminished the Quartet's authority and legitimacy.¹²¹

70. We challenged Dr Howells on the issue of what pressure the Government has applied on Israel to meet its Roadmap obligations. He replied, telling us that the Government tries to "persuade and cajole" Israel:

We certainly try to do that—we do it all the time, especially on the question of the expansion of settlements, the continuation of illegal settlements and the route of the barrier. We protest about that constantly, and argue that it is having a very bad effect

¹¹⁷ "EU Presidency Statement on the suicide bombing in Eilat in Israel", 29 January 2007, www.eu2007.de

¹¹⁸ Q 64

¹¹⁹ Q 64

¹²⁰ Alvaro de Soto, *End of Mission Report*, May 2007, pp 27–30, available at www.guardian.co.uk

¹²¹ Ev 82, para 8

on the peace process, especially in—this is what it is called, although I do not know whether it actually exists—the Arab street.¹²²

I am not sure what good it would do to British diplomacy for us to start putting sanctions on Israel. [...] I have to reiterate that the object of the exercise is to try to get to a peace process that is going to bring real change there. If we take our eye off that ball, I do not think that we are ever going to get there. I would say that placing sanctions on Israel would do nothing to help that.¹²³

However, there is a difference between ‘sanctions’ and strongly worded Quartet statements that would urge Israel to meet its obligations in more robust language than heretofore.

71. In his written evidence, Shai Feldman argued that whilst the Roadmap is a “logical approach”, it never took off because the Israelis and Palestinians “became bogged down in endless bickering as to ‘who goes first’.”¹²⁴ We pushed Dr Howells on the applicability of the step-by-step approach envisaged by the Roadmap. He replied in candid terms:

Whenever I have gone out and spoken to Palestinians or Israelis about this, I have not got the sense that there is a step-by-step approach. The rejection of such an approach is at its most extreme, I think, in Israel. I suspect that six or seven years ago, or maybe even 10 years ago, they decided that they would start to think about unilateral action as opposed to the process until then, which had been a case of saying ‘You do this, we’ll do that’ in a succession of steps. I suspect that the decision to build the barrier was the first unilateral step. Getting out of Gaza was probably the second.¹²⁵

72. We were struck that in the three hours of oral evidence we heard from the Minister and his officials, the Roadmap received little mention. When we asked the then Foreign Secretary Mrs Beckett whether she felt the Roadmap, following the Hamas takeover of Gaza, was now dead, her reply of “No, not necessarily” did not inspire confidence.¹²⁶

73. We conclude that the Roadmap for Peace has largely become an irrelevance in the dynamic of the Arab–Israeli conflict. The unwillingness of the Quartet to challenge robustly the failure by both sides to meet their obligations has undermined its usefulness as a vehicle for peace. However, we recommend that whilst the process of the Roadmap has failed, its objectives—an independent, democratic and viable Palestinian state peacefully co-existing with a secure Israel and an end to the occupation that began in 1967—must remain the basis for a solution to this conflict.

Israeli–Palestinian Relationship

74. In the absence of any progress on the Roadmap, and the refusal of the EU and US to engage with Hamas, some developments were made in the relationship between Prime

¹²² Q 152

¹²³ Q 153

¹²⁴ Ev 97, para 41

¹²⁵ Q 157

¹²⁶ Oral evidence taken before the Foreign Affairs Committee on 19 June 2007, HC 166–ii, Q 178

Minister Olmert and President Abbas. Israel promised the transfer of \$100 million in frozen tax funds (around a sixth of the total it owed to the Palestinians at the time) to President Abbas following a bilateral meeting in December last year.¹²⁷ The US Secretary of State, Condoleezza Rice, played an important role in establishing bi-weekly meetings between Olmert and Abbas in the spring of 2007. Dr Rice has herself called for the development of a “political horizon” for the Palestinians in these discussions.¹²⁸ We asked Dr Howells what he felt she meant by this. He replied that she was attempting to develop “a clearer picture of what exactly we are trying to get to” as a final settlement between Israel and Palestine.¹²⁹

75. President Abbas and Prime Minister Olmert met in Egypt in June 2007 to discuss recent developments. President Abbas urged Israel to “start serious political negotiations, according to an agreed timeframe, with the aim of setting up an independent Palestinian state.”¹³⁰ Prime Minister Olmert said that his ambition was to arrive at such talks in the future. He commented that an opportunity had “been created to advance seriously the political process in the region”, and that he did not intend to let it pass.¹³¹

76. In her written submission, Nomi Bar-Yaacov argued that in the light of recent developments, confidence-building measures such as prisoner releases the halting of targeted killings would be welcome, but they would be “insufficient” to “restore confidence in a peace process.” She argued that “serious negotiations on a comprehensive peace settlement” were required to focus on “an end to occupation now.” She suggested that the Quartet should come up with a new peace plan for the Middle East, with a strict timeline.¹³² At the time of preparing this Report, President Bush has called for a peace conference on the Middle East later in the year, but his spokesperson confirmed that such a conference would not include discussions on final status issues such as borders. An Israeli spokesperson said that Israel was “very clear” that it would not discuss “at this stage” the three issues of Jerusalem, borders and refugees.¹³³

Arab Initiative for Peace

77. In 2002, Saudi Arabia proposed the Arab Initiative for Peace which was subsequently adopted by the League of Arab States.¹³⁴ The crux of the plan involves a two-state solution, with Israel in its 1967 boundaries. An independent Palestinian state would have East Jerusalem as its capital. There would be a “just solution” for Palestinian refugees and Israel’s relations with the entire Arab world would be normalised.¹³⁵ Israel rejected the plan at the time. In 2007, the Saudi Government re-submitted the plan to the Arab League,

¹²⁷ Q 8

¹²⁸ “Remarks After Meetings With Prime Minister Olmert and President Abbas”, 27 March 2007, www.state.gov

¹²⁹ Q 158

¹³⁰ “Israel to release Fatah prisoners”, *BBC News Online*, 25 June 2007, news.bbc.co.uk

¹³¹ “Statement by PM Ehud Olmert at the Sharm el-Sheikh Summit”, 25 June 2007, www.mfa.gov.il

¹³² Ev 141

¹³³ “Bush Middle East plan starts to unravel”, *The Guardian*, 18 July 2007

¹³⁴ Q 53

¹³⁵ “The Arab Peace Initiative 2002”, available at www.al-bab.com

where it again won unanimous approval. Before the summit itself, Dr Gooderham told us that Israel was reconsidering its approach to the plan:

The sense that we have is that there might be a greater readiness now on the part of the Israeli Government to look at the initiative. Clearly, that is not to suggest that they will swallow it whole, but they might be ready to recognise it as a significant document and initiative, and to recognise the desire on the part of a large number of Governments in the region to see a solution to the conflict and to be ready, as part of that solution, to recognise Israel in a diplomatic sense as well as an existential sense.¹³⁶

78. We suggested to Dr Gooderham that the issue of the right of return for Palestinian refugees was a contentious one with Israelis. He replied:

It has always been understood that that was one issue that will have to be addressed in any final status settlement or negotiation. It would be for the parties themselves to determine how that principle should be applied.¹³⁷

79. Dr Gooderham told us that the Government welcomed the plan when it was first launched in 2002. **We conclude that the Arab Initiative for Peace is a positive proposal that deserves serious consideration by all parties. We recommend that the Government continue to support the Initiative, and that it facilitate where possible discussion between the parties on contentious issues such as the right of return for Palestinian refugees.**

Economic Aspects of Peace

80. The new Prime Minister Rt Hon Gordon Brown MP and his close allies have recently been emphasising the importance of economics when considering the Middle East Peace Process. In his speech to Chatham House in June 2007 (which we referred to earlier in this Report), Ed Balls argued that the international community needed an “economic roadmap” to accompany the political process. He insisted that there was “no chance of a lasting political settlement” when faced with “high unemployment, rapidly rising poverty and economic collapse in Gaza and the West Bank.” Mr Balls identified five broad actions that would be required:

- Stabilise the Palestinian economy by addressing the fiscal crisis and controlling the growth of public sector jobs;
- Acknowledge the asymmetry in the Israeli and Palestinian economies. In 2005, Palestinian GDP was only 7 per cent of Israel's, and the average Palestinian income was only 6 per cent that of an Israeli. Greater economic co-operation between the two is required;

¹³⁶ Q 163

¹³⁷ Q 162

- Improve security to allow freer movement in the Occupied Palestinian Territories. Israel's roadblocks and security measures at the moment have left the Palestinian economy "hopelessly fragmented";
- Encourage Palestinian economic diversification;
- Support the Palestinian private sector.¹³⁸

81. We received written evidence from the Portland Trust, a private not-for-profit foundation that is committed to promoting peace and stability between Palestinians and Israelis through economic development. It drew an analogy between the conflict resolution required in the Middle East and the economic instruments used in generating a peaceful solution in Northern Ireland. The submission suggested that the UK has been "instrumental in the development" of Loan Guarantee Schemes in the Occupied Palestinian Territories and that the Government was "an impressive advocate" of highlighting the importance of economics in the Middle East.¹³⁹

82. In May 2007, the World Bank published a report on freedom of movement and access for Palestinians in the West Bank. It noted there were "severe and expanding restrictions" on movement, "contrary to a number of commitments" undertaken by Israel and the Palestinian Authority, most recently the Agreement on Movement and Access signed in November 2005.¹⁴⁰ The World Bank stated:

While Israeli security concerns are undeniable and must be addressed, it is often difficult to reconcile the use of movement and access restrictions for security purposes from their use to expand and protect settlement activity and the relatively unhindered movement of settlers and other Israelis in and out of the West Bank.¹⁴¹

In its written evidence to the Committee, the Council for Arab–British Understanding (CAABU) quoted UN figures that Israel has put in place over 546 checkpoints and obstacles to movement in the West Bank, and that this was helping to fragment authority in the territory.¹⁴² In our last Report on *Foreign Policy Aspects of the War against Terrorism*, we noted that this figure had been under 400 in November 2005.¹⁴³ In a written answer in May, the then FCO Minister Rt Hon Ian McCartney MP said that the Government continued "to raise our concerns about movement restrictions" with the Israeli Government and called on both parties to implement the 2005 Agreement on Movement and Access.¹⁴⁴ The Under-Secretary of State for International Development, Shahid Malik, noted on 5 July 2007 that the Israeli security restrictions make Palestinian trade "impossible". He illustrated this by stating that the cost of transporting a container from Gaza to the West Bank is as much as that of moving it from the West Bank to China. He

¹³⁸ "Towards a Middle East Economic Roadmap", 19 June 2007, www.hm-treasury.gov.uk

¹³⁹ Ev 101, para 26

¹⁴⁰ For a summary of the Agreement on Movement and Access, see HC (2005–06) 573, paras 207–216

¹⁴¹ World Bank, *Movement and Access Restrictions in the West Bank*, 9 May 2007, p 2

¹⁴² Ev 105

¹⁴³ Foreign Affairs Committee, Fourth Report of Session 2005–06, *Foreign Policy Aspects of the War against Terrorism*, HC 573, para 214

¹⁴⁴ HC Deb, 23 May 2007, col 1315W

argued that this, as well as the presence of 500,000 Israeli settlers in the West Bank, has had “huge consequences for the economic, cultural and social fabric of Palestinian life.”¹⁴⁵

83. We conclude that the Government’s focus on developing an economic roadmap for peace in the Middle East is to be strongly welcomed. However, we further conclude that the expansion of Israeli roadblocks and the growth of illegal settlements in the West Bank are among the factors that have had a very damaging impact on the economic situation in the Occupied Palestinian Territories. We recommend that, in its response to this Report, the Government provide the Committee with an update on what progress has been made on implementation of the Agreement on Movement and Access. We recommend that the Government also provide its objective assessment of whether the removal of checkpoints and roadblocks would present a credible threat to the security of the State of Israel.

¹⁴⁵ HC Deb, 5 July 2007, col 340WH

3 Lebanon

Introduction

84. Lebanon is a country half the size of Wales populated roughly equally by Sunni and Shi'a Muslims and Maronite Christians. Lebanon's current constitution is based on the 1989 Taif agreement that helped bring its bitter civil war to an end. The agreement set out the distribution of power between these three confessional groups: its President, Emile Lahoud is a Maronite, the Prime Minister Fouad Siniora is Sunni, and the Speaker of Parliament, Nabih Berri, is a Shi'a.¹⁴⁶ Lebanon shares its borders with Israel and Syria, both of whom have had troops occupying parts of the country in recent years: the former withdrew in 2000;¹⁴⁷ the latter in 2005.¹⁴⁸ The last two years have brought about renewed instability in Lebanon, most controversially marked by the war between Israel and the militant Shi'a organisation Hezbollah in the summer of 2006. Stability and security in Lebanon are widely seen as important factors in the success of the Middle East peace process, and the balance of power in Lebanon also impacts on more general regional dynamics. This chapter considers the key issues currently faced by Lebanon, and assesses the role played by the UK and other international actors in what has often been a delicate and complicated political and security situation.

Political Change and Crisis

The Cedar Revolution

85. Rafik Hariri had been Lebanon's Prime Minister for ten of the twelve years leading up to 2004. On 14 February 2005, he was assassinated in Beirut by a massive car-bomb. The repercussions of his death have framed Lebanon's politics ever since. Syria was widely believed to have had a hand in his murder.¹⁴⁹ Following what became known as the 'cedar revolution' of popular protest, the anti-Syrian 'March 14' coalition (led by Mr Hariri's son Saad) won an important victory in Lebanon's Parliamentary elections. The new political climate also forced Syria to withdraw its troops from Lebanon, as had been demanded by UN Security Council Resolution 1559 (2004).¹⁵⁰ On our visit to Lebanon, we heard that Syria's occupying troops had previously allowed Damascus to dominate the politics of Beirut.

The Hariri Investigation

86. The UN Security Council passed Resolution 1595 on 7 April 2005, establishing the United Nations International Independent Investigation Commission (UNIIC) into the death of Mr Hariri. The UNIIC reported to the Security Council in October 2005, and stated that based on its findings so far, "there is converging evidence pointing at [...] Syrian

¹⁴⁶ Q 89

¹⁴⁷ Q 89

¹⁴⁸ Q 84

¹⁴⁹ "Huge car bomb kills Lebanon's former Prime Minister", *The New York Times*, 15 February 2007

¹⁵⁰ "Hariri's son poised for Beirut victory", *The Guardian*, 28 May 2005

involvement in this terrorist attack.”¹⁵¹ Based on this evidence, the Security Council immediately demanded that Syria co-operate with all further investigations carried out by the UNIIIC. The UK was one of the three sponsors of this binding Chapter VII resolution.¹⁵² Under Security Council Resolution 1664, the Security Council later asked the UN Secretary-General to work with Lebanon’s Government to establish a tribunal to try suspects for Mr Hariri’s assassination.¹⁵³

87. When he appeared before the Committee, Dr Howells condemned the “horrendous murder” and told us the reasoning behind the Security Council’s involvement on this issue:

The tribunal was set up was because of the difficulty that the Siniora Government and their predecessor Government had in trying to conduct any kind of inquiry into the assassination, the murder, while Syria had such overweening power in Lebanon; to put it mildly, they were obstructive.

At the time, the international community believed that Syria’s fingerprints were all over that assassination. We would not want to take any position on that before the tribunal completes its investigations, but it is important that the tribunal should be allowed to complete its investigations.¹⁵⁴

88. However, the establishment of a tribunal under Resolution 1664 required the agreement of Lebanon’s Government. When Resolution 1664 was passed, Lebanon’s Government was one of ‘national unity’—it was comprised of both the ‘March 14’ coalition and politicians that belonged to the two dominant Shi’a political parties, Hezbollah and Amal. Dr Peter Gooderham told the Committee that when Lebanon’s Government attempted to “bring that agreement to a decision, [...] certain members voiced their opposition and withdrew from the Government”, precipitating a “crisis”.¹⁵⁵ These “certain members” included all the Shi’a ministers, who have strong links with Syria. Dr Howells suspected their motives for withdrawing from the Government, telling the Committee that “Hezbollah is probably implicated in the assassination” and that it decided to do its “best to disrupt that investigation and to ensure that it came to nothing”.¹⁵⁶ Nadim Shehadi told the Committee that the Speaker of Parliament (Nabih Berri, who is from the Shi’a Amal party) was “refusing to call for a session of Parliament [...] in order to avoid being put in a corner” in which there would be “a vote on the tribunal.”¹⁵⁷

89. When we visited Beirut, we saw the political paralysis that was being caused by the continuing stand-off between the ‘March 14’ coalition and Hezbollah and its allies, who had brought their supporters out onto the streets. The crisis created by the dispute over the tribunal has raised important questions about the foundations upon which Lebanon’s Government is based. Nadim Shehadi outlined the principles behind the system:

¹⁵¹ “Report of the International Independent Investigation Commission Established Pursuant to Security Council Resolution 1595 (2005)”, 19 October 2005, p 53, www.un.org

¹⁵² “UN pressures Syria on assassination probe”, *Washington Post*, 1 November 2005

¹⁵³ Security Council Resolution 1664 (2006), 29 March 2006, www.un.org

¹⁵⁴ Q 174

¹⁵⁵ Q 175

¹⁵⁶ Q 174

¹⁵⁷ Q 89

The power-sharing agreement has proved to be, in a way, the only system in the region that prevents a takeover of the whole system by a single group. Every single politician in an important position, such as the President, Prime Minister or Speaker of Parliament, has a veto power that can paralyse the whole system [...] it is impossible for any group or party to take over completely. The system just locks into paralysis until another consensus is reached.¹⁵⁸

90. Patrick Seale told the Committee that given that the highest political position a Shi'a could ever reach in Lebanon's current system was Speaker, the current arrangements were in fact a power-sharing arrangement between Maronites and Sunnis. He argued that Lebanon's "institutional arrangements clearly need revision to give the Shi'a a bigger stake in decision making."¹⁵⁹ This is a powerful point when one considers the fact that the Shi'a are roughly equal to Sunnis in population terms.¹⁶⁰

91. Hezbollah and its allies have been demanding the creation of what is sometimes referred to as a '1/3 +1' Government. Under this system, they would return to Prime Minister Siniora's Government, but with enough Cabinet seats to be able to veto proposals within Cabinet. This solution has been bitterly opposed by the 'March 14' coalition.¹⁶¹ Dr Howells argued to the Committee that the opposition protest actions were "trying to subvert the democratic process" in Lebanon.¹⁶² At the time of preparing this Report, this political crisis continues.

92. On 30 May 2007, the UK co-sponsored Resolution 1757 at the Security Council. This bypassed the need for the consent of Lebanon's Government for the tribunal by establishing it under Chapter VII of the UN Charter. Five members of the Security Council (including Russia and China) decided to abstain from the vote, although no member voted against the resolution.¹⁶³ The then Foreign Secretary Margaret Beckett issued a statement on the adoption of Resolution 1757:

By adopting this resolution, the Security Council has demonstrated its support for the Government of Lebanon, and its commitment to the principle that there shall be no impunity for political assassinations, in Lebanon or elsewhere. The tribunal has been a politically sensitive issue. I hope that all parties in Lebanon will now be able to move forward to establish a broad-based government that can make decisions on the basis of consensus.¹⁶⁴

93. We understand Mrs Beckett's call for a "broad-based government" to mean one that includes representatives from the Shi'a population. The analysis of the Government and its international allies appears to be that Amal and Hezbollah would not politically be able to agree to any tribunal that threatened the Syrian regime. Therefore, they may find it easier

¹⁵⁸ Q 89

¹⁵⁹ Q 89

¹⁶⁰ Q 94

¹⁶¹ International Crisis Group, *Lebanon at a Trip-wire*, 21 December 2006, www.crisisgroup.org

¹⁶² Q 178

¹⁶³ "UN votes to set up Hariri tribunal", *The Guardian*, 31 May 2007

¹⁶⁴ "Statement: Special Tribunal for Lebanon", 30 May 2007, www.fco.gov.uk

to compromise on other issues if they are relieved of the responsibility of making a decision over the tribunal. Whilst there is an argument that the bypassing of Lebanon's state institutions only serves to undermine them and thus increase the potential for civil conflict, Resolution 1757 may equally allow a receding of the political paralysis in Beirut. At the time of the preparation of this Report, it remains too early to assess its impact on the ground.

94. We conclude that those who assassinated Lebanon's former Prime Minister Rafik Hariri must be brought to justice. The Government and its international allies have taken appropriate and measured steps at the UN Security Council to ensure that the tribunal is established. We further conclude that the tribunal process has brought to the surface important questions regarding the under-representation of the Shi'a population in Lebanon's political system. We recommend that the Government work with its international allies to help the Lebanese parties find consensus on a more representative and democratic political system.

The 2006 War



Source: International Crisis Group

95. The principal parties to the 2006 conflict in Lebanon were the Israeli military and the Hezbollah militia. The conflict started on 12 July when Hezbollah launched a raid into Israel's territory, capturing two soldiers and killing others.¹⁶⁵ Israel's Prime Minister Ehud Olmert told a press conference on the same day that this represented an "act of war" by Lebanon, stating that "Lebanon is responsible and Lebanon will bear the consequences of its actions." He justified his remarks by the fact that at this time, Hezbollah had two members in Prime Minister Siniora's Cabinet.¹⁶⁶

96. Israel launched a ground invasion of southern Lebanon whilst also conducting air strikes, including in Beirut. Simon McDonald, Her Majesty's Ambassador to Israel at the

¹⁶⁵ "Diplomatic timeline: Lebanon and Israel July 2006", *The Guardian*, 2 August 2006

¹⁶⁶ "PM Olmert: Lebanon is responsible and will bear the consequences", 12 July 2006, www.mfa.gov.il

time of the conflict, told the Committee that at the same time, “Hezbollah was attacking Israel by rocket fire from Lebanon.” He described the casualty figures during the war as “very unbalanced”—around 140 Israelis and over 1,000 Lebanese.¹⁶⁷ The Human Rights Watch World Report 2007 concluded that over half of the Lebanese and at least 39 of the Israeli casualties had been civilians.¹⁶⁸ The conflict continued until 15 August, at which point a “cessation of hostilities” established under UN Security Council Resolution 1701 came into force.¹⁶⁹ Given the controversy surrounding the war, both in the UK and internationally, the Committee decided to hold an evidence session with Dr Howells and his officials during the Parliamentary recess in September 2006.

An ‘Immediate Ceasefire’

97. The Government declined to call for an ‘immediate ceasefire’ to the hostilities until after the UN Security Council Resolution was passed in mid-August.¹⁷⁰ We asked Dr Howells if he felt this had been the right approach to take. He replied by arguing that an immediate ceasefire would have broken down within a few days and that a “permanent ceasefire” with “some real teeth” was required.¹⁷¹ We asked Dr Howells why the Government felt it was incompatible to call for an immediate cessation of hostilities whilst also working for a more long term Security Council Resolution at the same time. He replied, “I do not agree [...] about the possibility for a dual track diplomatic progress at that time.”¹⁷² He went on to claim that he would have had “no confidence whatsoever in a temporary ceasefire.”¹⁷³ However, replying to a later question, Dr Howells appeared to change his mind. He said:

I am not saying [...] that a dual approach might not have worked. I am not saying that and I am not dismissing that at all. Maybe it would have worked.¹⁷⁴

98. Dr Howells agreed that the Government’s position was controversial. He told the Committee that the UK “took a lot of fire diplomatically and if there is such a thing as ‘the Arab street’ I think we probably generated a lot of hostility”.¹⁷⁵ Dr Rosemary Hollis told the Committee that the Government’s position in Lebanon was “the last nail in the coffin” for its reputation in the Arab world.¹⁷⁶

99. Dr Hollis argued that whilst the Government’s policy was in part justified, the nature of its diplomacy revealed that it “really hoped that Hezbollah would take a beating.”¹⁷⁷ We now turn to this issue of intention. The UN Security Council took one month from the

¹⁶⁷ Q 159

¹⁶⁸ Human Rights Watch, *World Report 2007*, p 476

¹⁶⁹ Security Council Resolution 1701 (2006), 11 August 2006, www.un.org

¹⁷⁰ “Blair urges ‘immediate ceasefire’”, *BBC News Online*, 12 August 2006, news.bbc.co.uk

¹⁷¹ Oral evidence taken before the Foreign Affairs Committee on 13 September 2006, HC 1583–i, Q 5, Q 4

¹⁷² *Ibid*, Q11

¹⁷³ *Ibid*, Q12

¹⁷⁴ *Ibid*, Q20

¹⁷⁵ *Ibid*, Q11

¹⁷⁶ Q 66

¹⁷⁷ Q 66

start of the conflict before it was able to adopt Resolution 1701. However, it had first met two days after the conflict began, when members had called for a ceasefire but were blocked by the US and UK.¹⁷⁸ The delay was strongly criticised by then UN Secretary-General Kofi Annan, who addressed members when the “cessation of hostilities” was finally called on 11 August:

I would be remiss if I did not tell you how profoundly disappointed I am that the Council did not reach this point much, much earlier. [...] All members of this Council must be aware that its inability to act sooner has badly shaken the world's faith in its authority and integrity.¹⁷⁹

100. At the time of the conflict, many believed the United States was obstructing calls for an immediate ceasefire to give Israel a chance to defeat overwhelmingly Hezbollah's militia. The BBC journalist Ed Stourton raised this theory with John Bolton, who had been the US Ambassador to the United Nations at the time of the war. Mr Stourton asked him if the US had been “deliberately obstructing diplomatic attempts” to bring an end to the war so that “Israel could have its head.” Mr Bolton asked “what's wrong with that?” and added that he was “damn proud of what we did.”¹⁸⁰ We wrote to Dr Howells to ask him about Mr Bolton's comments. In his reply, he asserted:

The UK was certainly not involved in collusion with either the US or Israel to support the continuation of hostilities or to block a ceasefire. Whilst I cannot speak for the US position [on] this matter, I do not believe they acted differently.¹⁸¹

101. There are three possible explanations for this discrepancy. The first is that Mr Bolton misled the BBC journalist by suggesting that the US blocked diplomacy at the UN because it wanted to give Israel the opportunity to destroy Hezbollah when in fact this was not the case. The second is that the US did indeed block attempts to find a quick diplomatic solution to bring about a ceasefire, but that the UK, even though it is a permanent member of the Security Council and a close ally of the US, was not brought into or made aware of this collusion with Israel. The third alternative, as suggested by Dr Hollis, is that the UK was in fact brought into, or at least aware of, the efforts to obstruct the diplomatic process. Based on the evidence provided to the Committee, we are unable to rule any of these possibilities out.

102. We conclude that the Government's decision not to call for a mutual and immediate cessation of hostilities early on in the Lebanon war has done significant damage to the UK's reputation in much of the world. As the Minister admitted to us, the option of a dual track diplomatic strategy could have succeeded. We believe that such an approach could have led to reduced casualties amongst both Israeli and Lebanese civilians whilst still working towards a long-term solution to the crisis. We recommend that, in its response to this Report, the Government clarify on what date the first draft resolution calling for an immediate ceasefire or cessation of hostilities

¹⁷⁸ “Diplomatic timeline: Lebanon and Israel July 2006”, *The Guardian*, 2 August 2006

¹⁷⁹ “Secretary-General's statement to the Security Council on the adoption of a resolution on Lebanon”, 11 August 2006, www.un.org

¹⁸⁰ “War in Lebanon – insiders discuss what really happened”, *BBC Press Office*, 22 March 2007, www.bbc.co.uk

¹⁸¹ Ev 126, para 7

was presented to members of the Security Council, and what the Government's response to this draft was.

The Question of Proportionality

103. It hardly needs to be said that Hezbollah's kidnap and murder of Israeli soldiers, and its firing of rockets into Israel, were completely unacceptable actions and should be deplored in the strongest terms: this is not an issue of contention. Israel's right to defend itself against such attacks is also unquestionable. However, the nature of Israel's response to Hezbollah's actions has sparked an important debate around proportionality. Dr Howells was in Lebanon on 22 July. Whilst there, he strongly criticised Israeli actions. He said:

I very much hope that the Americans understand what's happening to Lebanon. The destruction of the infrastructure, the death of so many children and so many people. These have not been surgical strikes. And it's very difficult, I think, to understand the kind of military tactics that have been used. You know, if they're chasing Hezbollah, then go for Hezbollah. You don't go for the entire Lebanese nation.¹⁸²

However, the Government continues to refuse to label Israel's actions as disproportionate. We asked Dr Howells how this position could be held, given his comments above. He replied:

I tried [...] to clarify in my own mind what would be disproportionate, and that attempt to clarify what was going on was not made any easier when I went to Haifa, because during the period I was there 80 rockets fell on Haifa. These were not fireworks; these were, essentially, missiles that had a 40 kilo explosive charge in them surrounded by ball bearings.¹⁸³

104. Dr Howells told the Committee that UN investigators were present in Lebanon to assess Israel's actions, that they were the "proper authorities" and that "they should be allowed to do their work and come to their conclusions."¹⁸⁴ The UN Commission of Inquiry into Lebanon later published its report, focusing on the role of the Israeli Defence Force (IDF). Amongst its numerous findings, it concluded that there was,

a significant pattern of excessive, indiscriminate and disproportionate use of force by IDF against Lebanese civilians and civilian objects, failing to distinguish civilians from combatants and civilian objects from military targets.

It also commented on Israel's attack on UN bases in Lebanon, remarking that it found,

no justification for the 30 direct attacks by the IDF on United Nations positions, including those which resulted in deaths and injury to protected United Nations personnel.¹⁸⁵

¹⁸² "Minister condemns Israeli action", *BBC News Online*, 22 July 2006, <http://news.bbc.co.uk>

¹⁸³ Oral evidence taken before the Foreign Affairs Committee on 13 September 2006, HC 1583–i, Q 14

¹⁸⁴ *Ibid*, Q15

¹⁸⁵ "Report of the Commission of Inquiry on Lebanon pursuant to Human Rights Council resolution S-2/1", 23 November 2006, pp 3–4, www.un.org

During the conflict, Kofi Annan had referred to the deaths of two UN observers as an “apparently deliberate targeting” by the IDF.¹⁸⁶

Cluster Munitions

105. One important aspect of proportionality is Israel’s use of cluster munitions during the conflict. We have maintained a close interest in the damage caused by cluster munitions, most recently in our Report on the FCO Annual Human Rights Report 2006, where we noted that the UK would immediately withdraw its ‘dumb’ cluster munitions from service.¹⁸⁷ ‘Dumb’ cluster munitions are understood to be those that do not discriminate between targets, or do not have mechanisms to self-destruct if they fail to explode on impact.¹⁸⁸

106. Dr Howells told us that the UN Mine Action Co-ordination Centre (UNMACC) estimates that Israel dropped “in the region of 4 million cluster bombs on Lebanon from artillery projectiles.” This figure did not include bombs dropped “via aerial delivery.”¹⁸⁹ Although cluster bombs are designed to explode on impact, we were told that if they fail to explode, they effectively become landmines. We later wrote to Chris Clark from the UN in Lebanon, who informed us that the estimate of the failure rate of ‘dumb’ cluster bombs used by Israel was “moving towards 30%”. The failure rate of the so-called ‘smart’ M85 bomb was established as between 5–10%.¹⁹⁰ In 2003, the Government stated that the failure rate of its ‘dumb’ BL 755 bomb was 6%.¹⁹¹ In May 2007, it stated that the failure rate of the ‘smart’ M85 bomb was 2.3%.¹⁹² **We conclude that the failure rate of ‘dumb’ cluster bombs could be as high as 30%, much higher than the Government’s estimate of 6%. We further conclude that the failure rate of ‘smart’ cluster bombs could be as high as 10%, again significantly higher than the Government’s estimate of 2.3%. We recommend that, in its response to this Report, the Government state whether it is prepared to accept that the failure rate of ‘smart’ cluster munitions could be as high as 10%, and if so, how it justifies continuing to permit UK armed forces to hold such munitions.**

107. The UN estimated that one million cluster bombs remained unexploded in south Lebanon following the war.¹⁹³ 26% of Lebanon’s cultivatable land had been contaminated.¹⁹⁴ Jan Egeland, then the UN’s humanitarian chief, noted that 90% of the cluster bombs dropped on Lebanon “occurred in the last 72 hours of the conflict”, i.e. after Security Council Resolution 1701 had been passed. Mr Egeland called this “shocking and

¹⁸⁶ “Secretary-General shocked by coordinated Israeli attack on United Nations observer post in Lebanon, which killed two peacekeepers”, 25 July 2006, www.un.org

¹⁸⁷ Foreign Affairs Committee, Third Report of Session 2006–07, *Human Rights Annual Report 2006*, HC 269, paras 29–38

¹⁸⁸ *Cluster Munitions*, Standard Note SN/IA/4339, House of Commons Library, May 2007

¹⁸⁹ Ev 125, para 5

¹⁹⁰ Ev 123

¹⁹¹ HC Deb 16 June 2003, col 55W

¹⁹² HL Deb 17 May 2007, cols 320–1

¹⁹³ Ev 125, para 4

¹⁹⁴ “Cluster bombs: a war’s perilous aftermath”, *Christian Science Monitor*, 7 February 2007

completely immoral.”¹⁹⁵ The United States sells cluster bombs to Israel, and on 29 January 2007, the State Department announced that “there were likely violations” by Israel with regard to a “use agreement” between the two countries.¹⁹⁶ This agreement is believed to ban their use in populated areas.¹⁹⁷ In order to give the Israeli Government a fair chance to defend its actions, we decided to write to the Ambassador in London. We asked him what the intended military purpose of using the cluster bombs at a late stage in the war was.¹⁹⁸ In his reply, the Ambassador failed to deal with the issue of timing:

The Israeli use of cluster munitions was in full compliance with international law—specifically the principles of military necessity and proportionality. Cluster munitions were directed at rocket and missile launching sites. In most cases they were fired at open areas. In those cases where they were fired against targets located near or within built-up areas, this was carried out with the utmost caution so as to prevent civilian casualties, often costing our forces the element of surprise. Such measures included the dispersal of millions of fliers in Arabic from the air, the broadcasting of warning messages on the Al-Mashrek radio station and the delivery of thousands of recorded voice messages to telephones.¹⁹⁹

We consider the international efforts to clear cluster bombs from Lebanon later in this chapter.

108. We accept that Israel has an inalienable right to defend itself from terrorist threats. However, we conclude that elements of Israel’s military action in Lebanon were indiscriminate and disproportionate. In particular, the numerous attacks on UN observers and the dropping of over three and a half million cluster bombs (90% of the total) in the 72 hours after the Security Council passed Resolution 1701 were not acceptable. We recommend that, in its response to this Report, the Government explicitly state whether it believes that, in the light of information now available, Israel’s use of cluster bombs was proportionate.

After the War

Implementing Resolution 1701

109. The United Nations Interim Force in Lebanon (UNIFIL) was established in 1978 during Lebanon’s civil war. Security Council Resolution 1701 increased the size of UNIFIL from 2,000 troops in August 2006 to a maximum of 15,000. UNIFIL’s mandate was also strengthened so that it became the means of monitoring the “cessation of hostilities” set out in Resolution 1701. Although UNIFIL was only to deploy south of the Litani river, the Resolution also emphasised the need for the Government of Lebanon to establish its authority over all of its territory and called for the halt of all arms smuggling to groups in

¹⁹⁵ “UN denounces Israel cluster bombs”, *BBC News Online*, 30 August 2006, news.bbc.co.uk

¹⁹⁶ “US says Israel cluster bomb use possible violation”, *Reuters*, 29 January 2007

¹⁹⁷ “US investigates whether Israel violated deal on cluster bombs”, *The Guardian*, 26 August 2006

¹⁹⁸ Ev 136

¹⁹⁹ Ev 136

Lebanon.²⁰⁰ It is clear that this is a reference to the fact that Iran and Syria have historically supplied Hezbollah with much of its weaponry.²⁰¹

110. In March 2007, we asked Dr Howells about Hezbollah’s level of arms. He replied that, from our intelligence it seems to be back to the pre-war levels as far as rockets and other weapons are concerned. They have come across the Syrian border and we have called upon the Syrians many times to police that border properly and, if anything, the Syrians have done the opposite and have threatened retaliatory action if there is a serious attempt made at policing it. That is a serious situation and is a real violation of the sovereignty of Lebanon and its Government.²⁰²

In a written submission, his assessment was that there was no “significant Hezbollah activity in breach of UNSCR 1701.” However, he mentioned that Hezbollah’s leader, Sheikh Hassan Nasrallah, had “said publicly that Hezbollah is back to full military strength” and that he remained concerned by credible reports of smuggling across the Syria–Lebanon border.²⁰³ In February, The Times reported that Hezbollah was regrouping and rearming north of the Litani river, i.e. above the boundary of UNIFIL’s operations.²⁰⁴ In a written answer in June 2007, Mrs Beckett, in what appeared to be a hardening of the Government’s view, stated that the Government judged Syria to be “involved in providing Hezbollah with weapons as well as facilitating the transfer of weapons from Iran in breach of UNSCR 1701.”²⁰⁵

111. When in Lebanon, we heard accusations that Israel had been violating Lebanon’s sovereignty through the use of ‘overflights’ in Lebanese airspace. We asked Dr Howells if the Government kept any record of the frequency of these flights. He presented the following data obtained by UNIFIL:

Month (2007)	Number of overflights
January	45
February	47
March	67
April	113

He further remarked:

The Israelis claim that such overflights are necessary to monitor arms smuggling to Hezbollah across the Syria/Lebanon border. Both the UK and other international partners have made representations calling on Israel to cease overflights into Lebanese territory. We continue to call on all parties, including Israel, to abide by UN Security Council Resolution 1701 and to respect Lebanon’s territorial sovereignty and integrity. It is difficult to assess whether these representations have

²⁰⁰ “Lebanon – UNIFIL – Background”, www.un.org

²⁰¹ Q 90

²⁰² Q 181

²⁰³ Ev 126, para 8

²⁰⁴ “Hezbollah regrouping in a new mountain stronghold”, *The Times*, 26 February 2007

²⁰⁵ HC Deb, 15 June 2007, col 1381W

had an impact on Israel's behaviour, but we will continue to urge Israel to bring overflights to an end.²⁰⁶

112. We conclude that both arms smuggling to Hezbollah and Israeli overflights into sovereign Lebanese territory threaten to undermine and embarrass the Government of Lebanon, as well as the UNIFIL forces operating in the south. We are concerned that the Government's calls on Israel to halt overflights are having little impact on its behaviour. We recommend that, in its response to this Report, the Government set out what progress has been made on addressing both of these issues. This should include the most up-to-date figures on overflights as well as any new evidence of arms smuggling from Syria and Iran to Hezbollah.

Cluster Munitions

113. As noted above, there were approximately one million unexploded cluster bombs in south Lebanon at the end of the 2006 conflict, contaminating 26% of the country's cultivatable land. When we were in south Lebanon, we were able to see the work of the international teams (including the Manchester-based Mines Advisory Group) attempting to neutralise the unexploded ordnance. When Dr Howells wrote to us in May, he noted that 16% of the contaminated land had been cleared, noting that it would take an estimated twelve to fifteen months to clear the remaining area. Dr Howells set out the support given by the Government to the clearance efforts:

The UK has committed a total of £2,782,000 for de-mining work in Lebanon so far. The Government is planning to provide a further £320k this year to the Mine Advisory Group (MAG) for their £2.3m cluster bomb clearance programme in Lebanon, and £1m to the UN Mine Action Service (UNMAS), some of which will be allocated to Lebanon.²⁰⁷

Dr Howells later wrote to us stating that the estimated date of the completion for the work would be December 2008. He noted, however, that UN teams are working towards a December 2007 deadline to make south Lebanon "impact-free"—i.e. clearing cluster munitions from areas where they pose the greatest danger to civilian populations.²⁰⁸

114. When we were in Lebanon, we also heard claims that the Government of Israel was refusing to hand over relevant maps that would help locate cluster bomb strike areas. Dr Howells told us that the Government had "raised the issue" with Israel, "asking them to hand over the artillery data for their cluster bomb strikes." He continued:

On 20 November 2006 an IDF Spokesperson informed us that, following the conflict, Israel had transferred maps to UNIFIL identifying areas suspected as consisting of duds, including those of cluster munitions. However, the UN continues to claim that the data provided is insufficient.²⁰⁹

²⁰⁶ Ev 127, para 9

²⁰⁷ Ev 125, para 4

²⁰⁸ Ev 137, para 4

²⁰⁹ Ev 125, para 5

We wrote to the Israeli Ambassador in London, asking him whether, and if so, why, Israel has refused to hand over the relevant maps to the Government.²¹⁰ He replied on 2 July 2007, insisting that Israel voluntarily handed over operational maps to UNIFIL.²¹¹ However, the next day, Dr Howells provided the House with an update of this situation:

We have [...] asked the Government of Israel to hand over all relevant maps [...] I am afraid that, so far, we have not had that co-operation, although we have had promises of it.²¹²

115. We conclude that the international effort to decontaminate south Lebanon from unexploded cluster bombs is of the utmost importance. We further conclude that the Government has made a good contribution to this work. We strongly welcome the brave work of the Manchester-based Mines Advisory Group as part of this effort. We recommend that the Government continue to support those working on cluster bomb clearance in south Lebanon and that it accelerate its financial contribution to enable the UN deadline for cluster bomb clearance of south Lebanon by December 2007 to be met. We are deeply concerned that the UN feels it does not have sufficient data from Israel on this issue. It is inexcusable that Israel is not providing full co-operation almost a year on from the conflict. We recommend that the Government apply strong pressure on Israel to provide the necessary information to the UN as soon as possible.

Engaging with Hezbollah

116. In the section above, we noted that Hezbollah appears to be re-arming, with the likelihood that these arms are being supplied by Syria and Iran. We have also referred to the nature in which Hezbollah and its allies have been challenging the Government of Lebanon by demanding effective veto powers in a future administration. Nadim Shehadi argued to us that “Hezbollah is definitely a legitimate political party in Lebanon.” He told us:

There is a debate in Lebanon involving Hezbollah in order to convince it to join the political process and to lay down its arms and military agenda, which is seen as more in the interests of Syria and Iran. I am afraid that we lost that argument with Hezbollah in the summer. Part of Hezbollah’s argument for the legitimacy of its armed resistance is that Israel is a threat—this summer proved it—and that the west and the UN are not a credible protection... Hezbollah is now much stronger politically and it is more difficult than it was to take away its arms by political means.²¹³

117. Hezbollah’s relationship with Syria and Iran is an issue of contest. Dr Howells told us that “Hezbollah, as far as I am concerned, is a puppet organisation run and owned by the Iranians with the complicity of the Syrians.”²¹⁴ However, Patrick Seale disagreed, arguing

²¹⁰ Ev 136

²¹¹ Ev 136

²¹² HC Deb, 3 July 2007, col 806W

²¹³ Q 98

²¹⁴ Q 178

that “Hezbollah is not a creation of Syria and Iran. It is a genuine Lebanese movement, representing the southern community.” He suggested that “the more successful that Hezbollah has been in standing up to Israel, the more autonomous it has become.”²¹⁵

118. The UK does not have any relations with Hezbollah. Its External Security Office— i.e. its militia force, not its political apparatus—has been proscribed in the UK as a terrorist organisation since 2001.²¹⁶ Dr Howells gave us his opinion on engagement with Hezbollah. He said:

I am not going to go out of my way to talk to people who are trying to subvert the democratic process so that they can enhance the standing and position of an extremist Islamist organisation that does not value democracy at all.²¹⁷

However, this apparently clear-cut position was muddled somewhat when, in the same evidence session, Dr Howells told the Committee he believed he had met someone who was “essentially Hezbollah.”²¹⁸ He remarked that it was often difficult to distinguish between politicians belonging to Hezbollah, and its allied party Amal, with whom the Government does have contact.²¹⁹

119. We asked Patrick Seale what the Government’s approach towards Hezbollah should be. He argued that given its very strong support amongst the Shi’a community (for both its welfare programmes and militia operations) Hezbollah needed to be brought into the tent, noting that “you cannot really keep it out in the long term.”²²⁰ On our visit, we asked a range of Lebanese politicians whether the British Government should engage directly with the group. No one, including bitter opponents of Hezbollah, told us that the current Government approach was the correct one.

120. We conclude that Hezbollah is undeniably an important element in Lebanon’s politics, although its influence, along with Iran’s and Syria’s, continues to be a malign one. We further conclude that, as the movement will realistically only be disarmed through a political process, the Government should encourage Hezbollah to play a part in Lebanon’s mainstream politics. We recommend that the Government should engage directly with moderate Hezbollah Parliamentarians. The Government should continue to refuse to engage with the military wing of Hezbollah.

²¹⁵ Q 90

²¹⁶ “More ‘terror’ groups face ban”, *BBC News Online*, 1 March 2001, news.bbc.co.uk

²¹⁷ Q 178

²¹⁸ Q 176

²¹⁹ Q 177

²²⁰ Q 89

4 Syria

Introduction

121. Syria has enjoyed a mixed relationship with the UK in recent years. Its President, Bashar Assad, has been received by former Prime Minister Tony Blair at Downing Street but has also faced isolation following claims of unhelpful Syrian activity in the Middle East (most notably in Lebanon, as discussed above). Syria's importance is in part geographic: it neighbours all three of the key political crises in the Middle East region, namely Israel–Palestine, Lebanon and Iraq. A consideration of relations with Syria is key towards analysing and assessing British foreign policy towards the Middle East as a whole. This chapter outlines recent developments within Syria and in its role in the region before looking at British policy towards Damascus.

Syria's Internal Situation

122. The main political power in Syria is the Ba'ath party, which is controlled by President Bashar Assad, his family and his close allies. The President is selected through a referendum (held every seven years), in which there is only one candidate. The most recent referendum was in May 2007, in which President Assad won 97% of the vote according to Syria's Interior Ministry.²²¹

123. Patrick Seale told the Committee that President Assad heads an “autocratic regime” with “several centres of power”, including the security services and business figures close to the President.²²² Nadim Shehadi commented that the Syrian Government is “clamping down very heavily on any political reform or civil liberties”.²²³ The FCO's Annual Human Rights Report 2006 noted that the human rights situation in Syria had worsened over the past year.²²⁴

124. When the Committee visited Damascus, we were concerned by the lack of reference to any upcoming political reforms. However, the Syrian Government was keen to emphasise the work it was carrying out with regards to economic reform in the country. This reform focuses on moving away from a centralised towards a more market-based economy. However, when he gave evidence to us, Nadim Shehadi argued that discussing the role of the President's family, in particular his cousin, in the economy is a “red line” in Damascus.²²⁵ These vested interests raise serious concerns about the extent to which economic reform in Syria will be possible, even if desired by the President himself.

²²¹ “Syria's Assad wins another term”, *BBC News Online*, 29 March 2007, news.bbc.co.uk

²²² Q 86

²²³ Q 85

²²⁴ Foreign and Commonwealth Office, *Human Rights Annual Report 2006*, CM 6916, October 2006, p 104

²²⁵ Q 85

Syria's Relations in the Region

125. This section presents a brief overview of Syria's role in the Middle East. Where these issues (e.g. Lebanon) are dealt with in detail elsewhere in this Report, they are not fully expanded on in this section. Instead, our purpose here is to move towards a broad understanding of how Syria sees its role in the region and its underlying motivations. This will help to draw out lessons that can be used when we later consider the Government's relationship with Syria.

Lebanon

126. In our chapter on Lebanon, we noted the current influence of Syria on its politics, particularly with regard to the Hariri tribunal and in the funding and arming of Hezbollah. Here, we explore Syria's motivations. Patrick Seale told the Committee that the Syrian capital Damascus is about 20km from the Lebanese border.²²⁶ He argued that "with Damascus being so close to the border, any hostile power achieving a dominant position in the Lebanon would be like a gun at the head of Syria." Mr Seale argued that this helped to explain why Syria is supporting Hezbollah in Lebanon.²²⁷

127. Syria has attempted to block the international tribunal for the death of former Lebanese Prime Minister Rafik Hariri. Nadim Shehadi told the Committee that the investigation is "a matter absolutely of regime security", remarking that "it is the only thing threatening the Syrian regime's security at the moment." This threat would particularly manifest itself by heightening suspicions within the regime that a scapegoat would be found and handed over to the tribunal. He added that "the regime's and its allies' opposition to the investigation and tribunal is almost like a confession of guilt."²²⁸ Patrick Seale observed that the Syrians were worried that the tribunal "might increase their international isolation."²²⁹

128. Dr Peter Gooderham provided us with the FCO's assessment of Syria's involvement in Lebanon:

On the Lebanon front, if we were doing a scorecard, this would be the one on which we would have to give the lowest marks to the Syrians [as compared to Iraq and Israel–Palestine]. We have not seen the kind of evidence that [...] would suggest to us that Syria is playing a constructive role in respect of the very fragile situation in Lebanon. The international community is working very hard to support the democratically elected Government in Lebanon, which has been in crisis for some months. We believe that Syria is contributing to that crisis, and we would like to see it play a much more positive role.²³⁰

129. Patrick Seale told the Committee that he believed the Syrians are now militarily out of Lebanon "for good," although he said its relationship with Beirut has now degenerated into

²²⁶ Q 84

²²⁷ Q 90

²²⁸ Q 87

²²⁹ Q 84

²³⁰ Q 45

“criminality.” He argued that “they have got to put their relationship with Lebanon on a sound and healthy basis. It does not mean that they can be excluded from Lebanese affairs, but they do not need their army there.”²³¹ We found broad agreement with this view when we visited the region, although it was suggested that Syria would become militarily anxious if Israel were to invade Lebanon again.

The Middle East Peace Process

130. Syria has a close relationship with Palestinian Islamist groups. The head of Hamas’ political bureau, Khaled Mashaal, lives in Damascus. Syria does not officially recognise Israel as a state. Israel has now occupied the Syrian territory of the Golan Heights for over forty years. Patrick Seale told the Committee that Syria has established a link “with more radical Islamic groups”, so that they can be used as “their Palestinian cards” in its dealing with Israel.²³² Dr Peter Gooderham told the Committee that the Government believed Syria had “considerable influence” over both Hamas and Palestinian Islamic Jihad.²³³ He said the FCO had,

appealed to the Syrians to use their influence in a constructive way to bring Hamas to reconcile itself to the three Quartet principles. I cannot say that we have got any explicit evidence yet that that is the case, but we shall keep trying.²³⁴

131. Mr Seale noted that the Syrian position is that the Syria–Lebanese track and the Palestinian track of the Middle East Peace Process should proceed simultaneously (the Roadmap for Peace emphasises the Palestinian track).²³⁵ He observed that:

President Bashar has called repeatedly, in recent months and years, for formal negotiations to begin with Israel. The Israelis have shown no interest; in fact, Prime Minister Olmert declared that, during his premiership, Israel would never return the Golan Heights to Syria. The United States has also taken that line, and has told the Israelis that they should not engage in negotiations with the Syrians. The Syrian position is that they do not want back-channel deals [...] They want formal negotiations with Israel, in which they would hope to recover the Golan Heights.²³⁶

132. Nadim Shehadi suggested that Syria’s call for peace with Israel was “not credible in the eyes of the world” because it looks “opportunistic.” He argued that:

The regime looks squeezed. It is threatened by the [Hariri] tribunal. Regime security is at stake, and one big carrot that it can present to the international community is that it is willing to make peace with Israel. Regardless of whether peace is reached or

²³¹ Q 101

²³² Q 97

²³³ Q 45

²³⁴ Q 37

²³⁵ Q 97

²³⁶ Q 98

not in the end, the process of re-engagement will end the regime's isolation and will also give regime security a boost in that sense.²³⁷

133. In January 2007, a former Israeli diplomat, Alon Liel, revealed that he had been holding secret talks with Syrians over the Golan Heights. A possible solution involved Israel formally ceding sovereignty over the Golan Heights, whilst maintaining its presence in practice for a number of years to ensure Syria discontinued its support for Palestinian Islamist groups. Mr Liel stated that these talks had collapsed in the summer of 2006 following United States pressure on Israel not to deal with Syria in any way. When the story broke, both Israel and Syria publicly denied their official involvement in these discussions.²³⁸ However, in July 2007, Israel's Prime Minister Ehud Olmert said that he was "ready for direct talks" with President Assad, although, at the time of preparing this Report, it is unknown how seriously this offer is being taken.²³⁹

Iraq

134. Syria was opposed to the 2003 intervention in Iraq. Since that time, it has been accused of helping to create or sustain the insurgency in the country. The US Iraq Study Group Report, published in December 2006, argued that Syria was playing a "counterproductive role" in Iraq. Its role was "not so much to take active measures as to countenance malign neglect: the Syrians look the other way as arms and foreign fighters flow across their border into Iraq."²⁴⁰ Patrick Seale argued in front of the Committee that Syria had allowed "a few Jihadists" to "go across that territory" because "the Syrians do not want the Americans to have too easy a time in Iraq, because they think that the Americans will win there and they will be next."²⁴¹

135. On 30 October 2006, the then Prime Minister's foreign policy adviser Sir Nigel Sheinwald went to Damascus to visit President Assad (we consider this visit in more detail in the section on the role of the UK below). Simon McDonald told the Committee that it was the FCO's view that "since that visit, relations between Syria and Iraq have improved somewhat":

The first evidence of that was that they re-established diplomatic relations. Secondly, Muallem, the Syrian Foreign Minister, visited Baghdad and reopened the Syrian embassy. Since then, there has been a series of high level visits between the two capitals. Most importantly, Bulani, the Iraqi Interior Minister, went to Damascus and they agreed a memorandum of understanding covering sensitive border issues.²⁴²

136. In a statement to the House of Commons on Iraq and the Middle East in February 2007, the then Prime Minister remarked that "there is evidence recently that Syria has realised the threat that al-Qaeda poses and is acting against it."²⁴³ The Committee had the

²³⁷ Q 98

²³⁸ "My secret talks with Syria, by Israel envoy", *Daily Telegraph*, 1 February 2007

²³⁹ "Israel offers Syria direct talks", *BBC News Online*, 10 July 2007, news.bbc.co.uk

²⁴⁰ The Iraq Study Group, *The Way Forward – A New Approach*, 6 December 2006, p 25, www.usip.org

²⁴¹ Q 99

²⁴² Q 38

²⁴³ HC Deb, 21 February 2007, col 265

opportunity to raise the issue of Syria's relationship with Iraq on our visit to Damascus. We noted the insistence of Syrians that they were looking to develop this relationship in a more constructive manner and we were told that Syria had deployed thousands of troops on the border with Iraq. Our visit left us in broad agreement with Mr Blair's view. Whilst in Syria, we learnt more about two important aspects of Syria's relationship with Iraq. The first is that some tribes live on both sides of the Syria–Iraq border, complicating border control. The second is that up to 1.3 million refugees from Iraq have resettled in Syria, with most living in and around Damascus. We deal with the crucial issue of the impact of Iraqi refugees on neighbouring states in the chapter on Iraq below.

Iran

137. Iran is Syria's only strategic partner amongst the states in the Middle East. They both support Hezbollah in Lebanon and Hamas in the Occupied Palestinian Territories, and both have been accused of causing instability in Iraq. Professor Anoush Ehteshami told the Committee that President Assad "regards Iran as Syria's only reliable partner in the region." The Iranians "have been very good partners to Syria" in a number of areas, including hydrocarbons, and the two countries also share some cultural links.²⁴⁴ The relationship between Syria and Iran has been strengthened recently. Syria signed a memorandum of understanding on defence issues with Iran in June 2006. At the time, Dr Howells said that "further military co-operation between Syria and Iran is unlikely to build international confidence."²⁴⁵

138. Professor Ehteshami highlighted the peculiarity of a secular Arab nationalist Syria having, as its closest ally, a non-Arab Islamist Iran:

Frankly, that is not a happy situation for Syria to be in, because its natural home is with Egypt, Jordan and Saudi Arabia, not with Iran [...] But Syria is with Iran, because it has very little else to rely on.²⁴⁶

139. We conclude that Syria plays a significant role in most of the key areas in the Middle East and that this role may slowly be changing for the better. The support of Syria will be of great assistance to efforts to promote stability in the Middle East, in Lebanon and in Iraq in particular. This cannot be ignored when the Government and the international community engage in diplomacy with the Syrian authorities.

The Role of the UK and the International Community

140. The section above set out Syria's approach towards the Middle East in general terms. Whilst Syria's policy towards Iraq appears to be changing in a positive way, concerns remain about its role in Lebanon and its support for Islamist groups in the Occupied Palestinian Territories. This section assesses the policy of the UK and the international community in their bid to alter Syria's behaviour in the region, and reflects on whether more can be done to achieve this outcome.

²⁴⁴ Q 127

²⁴⁵ HC Deb, 26 June 2006, col 184W

²⁴⁶ Q 127

141. As noted above, Syria has recently experienced a spell of isolation in the international community, in particular following the assassination of former Lebanese Prime Minister Rafik Hariri. On our return from Damascus, we wrote to Dr Howells, reflecting comments made to us in Damascus that whilst the UK had agreed with its EU partners an ‘understanding’ that no ministerial visits to Syria were to be carried out, this ‘understanding’ was now ‘evolving’. Dr Howells replied:

UK and EU policy towards Syria in recent years has reflected the concern of the international community at the unhelpful role that Syria has been playing in the region. The UK continues to have full diplomatic relations with Syria and has contact with Syrian ministers when we deem it will usefully advance our interests [...] We continue to calibrate the extent of our contacts against Syria’s behaviour in the region and based on an assessment of whether such contact will advance our interests.²⁴⁷

Although he did not refer directly to the freeze on ministerial visits, Dr Howells did indicate that there was a debate within the EU as to how this policy should move forward:

Within the EU there has been a discussion about the extent to which Syria might be ready to change its policies and how the EU might help bring this about. As a result of this debate, the EU High Representative, Javier Solana, visited Damascus in March to articulate to Syria what needs to happen for Syria to progress its relations with the EU. With EU partners we will continue to keep under review the case for further discussions.²⁴⁸

The Guardian reported that Mr Solana was mandated to visit Damascus by all 27 EU states after France “lifted the veto imposed by Jacques Chirac following the murder of Hariri”. Comments made by Mr Solana at the time of the visit suggest that the focus of the meeting was to persuade President Assad to modify Syria’s behaviour towards Lebanon.²⁴⁹

142. Mr Solana’s visit appears to follow on from the trip made by the then Prime Minister Tony Blair’s foreign policy adviser Sir Nigel Sheinwald to Damascus in October 2006. As noted above, this visit appeared to have generated some movement on Syria’s policy towards Iraq. Although the UK and the EU have shown enthusiasm for engagement with Syria, this approach has not been shared by President Bush. Commenting on a visit to Damascus by the US House Majority Leader, the Democrat Nancy Pelosi, President Bush argued that going to Syria “sends mixed signals” to a “state sponsor of terror” and that European efforts to meet President Assad have “simply been counterproductive” because of his failure to modify Syria’s policies.²⁵⁰

143. President Bush presents a view that needs to be considered carefully when assessing the effectiveness of the Government’s moves to engage Syria, both unilaterally through Sir Nigel Sheinwald and as part of the EU through Javier Solana. We are minded to reject the US argument for three principle reasons. First, such efforts at engagement will only

²⁴⁷ Ev 124–125, para 2

²⁴⁸ Ev 125, para 2

²⁴⁹ “Europe leads bid to lure Syria in from the cold”, *The Guardian*, 14 March 2007

²⁵⁰ “President Bush makes remarks on the Emergency Supplemental”, 3 April 2007, www.whitehouse.gov

succeed through a series of steps that will take time to play out—it is impossible to come to a definitive conclusion on their merits in a matter of months. Second, there is little initial basis to suggest that the visits of Sir Nigel and Mr Solana have been counter-productive in the short-run—the fact that the Government supported Mr Solana’s mission hints that it was at least partially satisfied with the product of Sir Nigel’s meeting. Third, given the importance of Syria’s support on a range of issues from Lebanon to Iraq, critics of the strategy of sending delegations to Damascus fail to provide a convincing alternative account as to how President Assad can be persuaded to modify his country’s behaviour. That said, President Bush does make an important point that engagement with Syria need not entail the high levels of media coverage generated by Ms Pelosi and Mr Solana—Sir Nigel’s ‘behind closed doors’ visit is a case in point.

144. We conclude that the Government’s decision to send Sir Nigel Sheinwald to Damascus in October 2006 was the correct one. In our view, the EU ban on ministerial contact with Syria is not helpful in the context of engaging constructively with the Syrian Government. We recommend that the Government resume such contacts without delay. We further recommend that the Government continue to support the work of Javier Solana as part of the EU’s engagement with Syria.

145. Having considered whether the Government has taken the right approach in engaging with Syria, we need to address the difficult policy decisions that will need to be taken in any effort to persuade President Assad to take a more constructive approach to the region. Professor Anoush Ehteshami told the Committee how Syria might be persuaded to change its relationship with Iran:

I would say that it would change if Syria was given incentives by either Arab states or the west to change direction and move away from Iran. Syria needs tangible results on the Golan Heights and discussions with Israel, it needs to be sure that Lebanon will not become a backyard for Israel and the west, and it needs to be sure that the sanctions that are now in place—for instance from the US and so on—are lifted, so that it can survive in this very competitive international environment.

However, he warned that “at present I see no signs of any of those coming to fruition.”²⁵¹

146. Nadim Shehadi presented his view of the Government’s policy options with respect to Syria:

[T]he UK should not do a backroom deal again with the Syrian regime in the interests of stability in the region. It has been tried before and it worries the Lebanese a lot that the Syrian regime could offer the UK a lot of incentives in Palestine, where it is blocking progress, in Iraq and in relation to Iran. The only concession that the Syrian regime wants is a very minor one: ‘Please forget about the tribunal and give us back our influence in Lebanon [...]’ That should be an absolute red line for British policy.²⁵²

²⁵¹ Q 127

²⁵² Q 104

147. Whilst in Syria, we heard that the EU had agreed an Association Agreement with Syria in 2004, but that this had not yet been signed due to a 'go slow' policy. We raised this with Dr Howells, who wrote back, stating that "more constructive Syrian policy in the region is a pre-requisite for progressing its relations with the EU" and that Mr Solana had "set out what Syria would need to do in order for such progress to be made" during his visit to Damascus. We also heard concerns in Syria that the United States is blocking Syria's application to the World Trade Organisation. Dr Howells told us that "the WTO is a largely apolitical body" and that neither the EU nor the UK "has political reservations about Syria's application to become a member of the WTO." He did not discuss any specific economic reservations, although he did note that "countries who apply to join must make commitments to open their markets and to abide by the WTO's trading rules."

148. On the basis of the evidence presented in this chapter and elsewhere in this Report, the situation in Lebanon appears to be the most difficult obstacle to Syria's reintegration into the international community. **There is no excuse for Syria not to co-operate fully with the international tribunal over the death of Rafik Hariri and in no circumstances should this be negotiated away. However, we conclude that more can be done to reassure Syria that efforts to build a workable democratic state in Lebanon are not aimed at destabilising the regime in Damascus.**

149. **We conclude that the European Union Association Agreement with Syria presents a powerful incentive for President Assad to remedy his country's political behaviour, particularly given Syria's current efforts towards economic reform. We recommend that in its response to this Report, the Government set out the list of conditions that Syria would have to fulfil if the European Union is to ratify the Agreement.**

150. **We conclude that a peace settlement between Israel and Syria would help to transform the political dynamics of the region. We recommend that the Government place much greater emphasis than at present on finding a settlement that will end Syrian support for Palestinian Islamist groups and the Israeli occupation of the Golan Heights.**

5 Egypt

Introduction

151. Egypt is one of the most powerful and populous states in the Middle East, and has often assumed the mantle of political leadership in the Arab world. Having signed its own peace agreement with Israel in 1979, it has played an important role in promoting the normalisation of relations between Israel and her other neighbours. Egypt's President Hosni Mubarak came to power in October 1981, following the assassination of his predecessor Anwar Sadat earlier that month. Since this date, Egypt has been ruled without interruption under Emergency Law. The country now faces a number of domestic challenges, including democratisation and the rise of political Islam.

152. On our visit, we heard that foreign direct investment in Egypt is booming and helping to fuel economic growth. The UK is the largest foreign investor into Egypt and enjoys healthy diplomatic relations with Cairo. This suggests that the Government is well placed to play a positive role in influencing and working with the Egyptian authorities on its domestic challenges.

Recent Developments

Human Rights and Democratisation

153. After the events of 11 September 2001, the Egyptian Government came under international pressure to implement democratic reforms. In a key speech in Cairo on 20 June 2005, US Secretary of State Dr Condoleezza Rice said that Egypt must give "its citizens the freedom to choose":

Egypt's elections, including the Parliamentary elections, must meet objective standards that define every free election. Opposition groups must be free to assemble, and to participate, and to speak to the media. Voting should occur without violence or intimidation.²⁵³

154. Egypt held Presidential and Parliamentary elections in 2005. A constitutional amendment meant that for the first time, multiple candidates were allowed to stand for the Presidential election. President Mubarak won a fifth six-year term with 88.6% of the votes cast, on a turnout of 23%.²⁵⁴ The election was met with criticism, after Mubarak's nearest challenger, Ayman Nour of the Tomorrow Party, campaigned whilst on bail and was later imprisoned for five years on fraud charges. The UK held the Presidency of the EU at the time, and released a statement expressing "concern" at his conviction and underlining that it "sends negative signals about democratic political reform in Egypt."²⁵⁵

155. Egypt's 2005 Parliamentary elections were won, as expected, by the ruling National Democratic Party. However, individuals associated with the proscribed Muslim

²⁵³ "Remarks at the American University in Cairo", 20 June 2005, www.state.gov

²⁵⁴ "Egypt Election Row Sparks Protest", *BBC News Online*, 10 September 2005, news.bbc.co.uk

²⁵⁵ "EU Statement on Outcome of the Trial of Ayman Nour in Egypt", 27 December 2005, www.fco.gov.uk

Brotherhood movement were remarkably successful. The elections were marred by violence and mass arrests of Muslim Brotherhood supporters. Dr Hollis told the Committee that “the Government were found to be guilty of brutality and paying bribes to get people to vote in the elections.”²⁵⁶ In the months following the elections, the Egyptian Government launched a further crackdown against the Muslim Brotherhood.²⁵⁷

156. Hugh Roberts from the International Crisis Group has remarked that “there is no prospect of significant political reform in Egypt in the foreseeable future. It’s dead in the water [...] Western efforts to shape reform in Egypt have been a fiasco.”²⁵⁸ We put Mr Roberts’ assessment to the Minister for the Middle East when he appeared before the Committee. Dr Howells replied:

I would agree with some of it, which might surprise you. Last December, President Mubarak announced constitutional amendments, some of which we could recognise as real steps forward towards a more democratic, open society. Some have been interpreted as a step backwards.²⁵⁹

157. The constitutional amendments referred to by Dr Howells were voted on in a referendum that took place during our visit to Egypt. The opposition boycotted the process, leaving the Egyptian Government’s victory assured. We heard a range of opinions on the constitutional amendments, but it seems clear that they do not signal the advance of immediate political reform. Dr Hollis highlighted to the Committee the difficulty facing attempts at such reform:

The Egyptians sometimes describe their state as a pharaonic state: it is all pervasive. Egyptians therefore have great difficulty in getting their heads around the idea of progressive reform [...] For fear of experimentation that could demonstrate that the state does not need to be as all-pervasive, they are not having any experimentation. Up against that, I simply do not know what to advise; I do not think that you can make much change from the outside.²⁶⁰

158. Dr Howells focused on one of the root causes for Egypt’s reluctance to embrace democratic reform:

What is extraordinary about Egypt is that the most progressive elements among the chattering classes, or the political class, are very worried about the prospect of greater democracy. They are very worried about the distinct possibility that the extreme Islamic parties could make great progress if the elections were freer and fairer, and that the secular state of Egypt, as it exists at the moment, would come under great threat.²⁶¹

²⁵⁶ Q 77

²⁵⁷ “A country in crisis as fearful government cracks down on Islamist opposition”, *The Guardian*, 19 July 2007

²⁵⁸ “Egypt finds democracy can wait”, *The Guardian*, 16 May 2006

²⁵⁹ Q 172

²⁶⁰ Q 78

²⁶¹ Q 172

159. Dr Hollis highlighted one reason for the electoral popularity of the Muslim Brotherhood, arguing that it “contrasts very well with the Government in terms of corruption.” She warned against misinterpreting the causes of the rise of the Muslim Brotherhood and pressed the point that whilst the current Government may be perceived as corrupt, “that does not mean that the state is discredited, or that there is a love affair with Islamism.” She said an interesting solution would be “a version of democracy or reform that brings such opposition into the system but does not overthrow the system overnight.”²⁶²

160. On our visit, we heard from analysts that the Muslim Brotherhood has committed to non-violence and that it has accepted the democratic process as a way of bringing about their goals gradually. It remains uncertain as to what extent its goals would challenge the secular Egyptian state, or indeed how diverse these goals are. These issues may only become clear once the Muslim Brotherhood is legitimately allowed to participate within the Egyptian political system, rather than have its members sit in Parliament as independents at fear of repression.

161. We conclude that there are serious concerns about the progress of democratic reform in Egypt. We recommend that the Government should use its close relationship with Cairo to maintain pressure on the Egyptian Government to widen participation in its political system. We further conclude that the Muslim Brotherhood is a powerful and important force in Egypt. As long as the Muslim Brotherhood expresses a commitment to the democratic process and non-violence, we recommend that the British Government should engage with it and seek to influence its members.

Role in the Middle East Peace Process

162. Egypt is a member of the ‘Arab Quartet’ of countries lobbying for rapid progress on the Middle East Peace Process, the other countries being Saudi Arabia, the UAE and Jordan.²⁶³ Along with Jordan, it has also been asked by the League of Arab States to explore with Israel the opportunity presented by the Arab Initiative for Peace.²⁶⁴

163. Egypt has a particularly important and historic relationship with Gaza, as its only Arab neighbour. Before the dramatic events of June 2007, Dr Hollis had told us that “the fact that the heart of the struggle between Hamas and Fatah is Gaza has increased the level of Egyptian influence”. Ms Nomi Bar-Yaacov commented that Egypt’s involvement in Gaza was “vast”, in particular in the security sector and that it has an “extremely positive and ongoing role to play.” However, she noted in February that “all the ammunition into Gaza is coming through tunnels in Egypt that are being dug all the time. It is important to monitor that issue, and more can be done on that front.”²⁶⁵ Dr Gooderham told the Committee that one of the agreements that have come out of “trilateral meetings between Rice, Abbas and Olmert is that the quadrilateral committee, which involves the three plus

²⁶² Q 77

²⁶³ Q 52

²⁶⁴ “Arab leaders offer Israel guarded peace offer”, *The Guardian*, 30 March 2007

²⁶⁵ Q 80

Egypt, should reconvene” to tackle the problem of arms smuggling.²⁶⁶ It is clear that not enough work was done to prevent a build-up of arms before the dramatic events of June 2007.

164. Dr Gooderham told us in February that Egypt enjoys a “difficult” relationship with Hamas.²⁶⁷ This is due, in part, to Hamas’ historic roots in the Muslim Brotherhood. The events of June 2007 may place this relationship under further strain. At the time of preparing this Report, the Rafah crossing between Gaza and Egypt had been closed since early June 2007. Egyptian security officials estimated that up to 4,000 Palestinians were stranded on the Egyptian side of the crossing.²⁶⁸ In late June, the deputy head of the EU monitoring mission at Rafah said that European monitors would not return to the crossing whilst Hamas retained sole control of the Gaza Strip.²⁶⁹ On 5 July 2007, the Under-Secretary of State for International Development, Shahid Malik, called the situation “unacceptable from anybody’s perspective.”²⁷⁰

165. We conclude that Egypt has an important role to play in the Middle East Peace Process. We recommend that the Government set out its policy on the Rafah crossing, and that it continue to work with Egypt and other parties to seek the re-opening of the crossing as soon as possible.

²⁶⁶ Q 47

²⁶⁷ Q 47

²⁶⁸ “Ministers of Palestinian emergency government visit stranded Palestinians in Egypt”, *International Herald Tribune*, 8 July 2007

²⁶⁹ “EU monitors to stay away from Rafah”, *Jerusalem Post*, 28 June 2007

²⁷⁰ HC Deb, 5 July 2007, col 334WH

6 Iraq

Introduction

166. The Foreign Affairs Committee has been carefully monitoring the situation in Iraq for a number of years. We most recently commented in detail on Iraq in our Report on *Foreign Policy Aspects of the War against Terrorism*, published in July 2006, and we also considered aspects of the situation in our Report on the FCO's Human Rights Annual Report, published in April 2007. We also heard oral evidence on Iraq in January 2007 jointly with the Defence Committee from both the Foreign and Defence Secretaries. We welcomed the opportunity that this joint session provided to scrutinise the Government's role in Iraq in a more holistic way. This Report has focused on the Government's policy towards the Middle East as a whole, and in particular on Israel and her Arab neighbours. This chapter, and the one that follows on Iran, should be seen in that context and we do not intend for them to be seen as the last word on all aspects of the Government's approach towards these two countries.

167. Our 2006 Report was written in the months immediately following the attack on the al-Askari shrine in Samarra on 22 February 2006. We noted that this attack had "unleashed a wave of sectarian conflict" and that there were concerns that "the country is slipping into civil conflict." We concluded that Iraq's neighbours had yet to take sufficient steps to prevent the movement of insurgent's across Iraq's borders. We further concluded that there was "serious concern" over the role of Iran in Iraq, and that this reinforced "the need for dialogue and engagement with Tehran."²⁷¹ This chapter considers how these issues have developed over recent months.

Recent Developments

The Security Situation

168. The United Nations Assistance Mission for Iraq (UNAMI) has estimated that over 34,000 civilians met violent deaths in the country in 2006, including from "an unprecedented number of execution-style killings."²⁷² The Iraq Study Group (comprising of US politicians, officials and prominent personalities and led by former Secretary of State James Baker III and Senator Lee Hamilton) concluded in December 2006 that the situation in Iraq was "grave and deteriorating." It warned that if the situation continued to worsen, it could "trigger the collapse of Iraq's government" and lead to military intervention by neighbouring countries.²⁷³

169. In January 2007, the Bush Administration responded to the worsening security situation with a "New Way Forward in Iraq." This strategy, informally known as the 'surge', committed more than 20,000 extra US troops to Iraq, with the majority deployed in Baghdad. President Bush argued that "reducing the violence in Baghdad" would provide

²⁷¹ Foreign Affairs Committee, Fourth Report of Session 2005-06, *Foreign Policy Aspects of the War against Terrorism*, HC 573, paras 223–291

²⁷² "Over 34,000 civilians killed in Iraq in 2006, says UN report on rights violations", 16 January 2007, www.un.org

²⁷³ The Iraq Study Group, *The Way Forward – A New Approach*, 6 December 2006, p 6

the political space to make “reconciliation” between Sunni and Shi’a groups possible.²⁷⁴ When we took evidence from the then Foreign Secretary and Defence Secretary in January 2007, Mrs Beckett told us that although the Government was fully supportive of the US strategy, it was not “our plan.”²⁷⁵ She argued that the implications of the plan for the UK were “somewhat limited” given its focus on Baghdad (the British deployment is concentrated in the south of the country).²⁷⁶ Underlining the importance of the new US plan, she told us that if headway was not made in Baghdad, there would be “very, very serious difficulties.”²⁷⁷

170. By July 2007, 30,000 additional US forces had been deployed to Iraq. This figure is significantly higher than the initial estimate of 20,000 troops. The commander of the US division responsible for Baghdad, Major General Joseph Fil, told a Pentagon briefing in July that US and Iraqi control of Baghdad was now at 48–49%, compared to 19% in April. He defined control as meaning “we have our security forces there and we’re denying that space to enemy forces.” However, the new strategy has brought about increased casualties amongst US troops. The three months of April, May and June led to more US deaths (over 100 each month) than in any other quarter since the conflict began.²⁷⁸ In a speech to the House during a debate on Iraq in June, Mrs Beckett argued that it was “too early to make definitive judgments” on the success of the strategy. She noted “significant falls” in the recorded rate of sectarian murders in Baghdad, but also referred to the continuation of suicide bombings and calculated, symbolic attacks.²⁷⁹

171. In a statement to the House in February, the then Prime Minister announced that British forces would be reduced from 7,100 to roughly 5,500 by the summer.²⁸⁰ In July 2007, the Defence Secretary announced that British troop numbers would fall to around 5,000 by November or December, following the handover of control of the UK headquarters, Basrah Palace, to the Iraqi authorities.²⁸¹ The new Prime Minister has told the House that the Government’s role will be one of “over-watch”.²⁸² In her speech in June, the then Foreign Secretary stated that British forces had handed over control to the Iraqis in three out of the four provinces in their area of operation. There was an “intensive drive” to bring the fourth—Basra—to a position where a handover could occur.²⁸³ At the time of writing, the UK has suffered a total of 163 deaths in Iraq.²⁸⁴

²⁷⁴ “President’s Address to the Nation”, 10 January 2007, www.whitehouse.gov

²⁷⁵ Oral evidence taken before the Foreign Affairs Committee on 11 January 2007, HC 209–i (2006–07), Q 10

²⁷⁶ *Ibid*, Q 1

²⁷⁷ *Ibid*, Q 30

²⁷⁸ “Steep fall in Iraqi civilian death toll”, *Financial Times*, 1 July 2007

²⁷⁹ HC Deb, 11 Jun 2007, col 543

²⁸⁰ HC Deb, 21 Feb 2007, col 264

²⁸¹ HC Deb, 19 July 2007, col 32WS

²⁸² HC Deb, 4 July 2007, col 954

²⁸³ HC Deb, 11 Jun 2007, col 544

²⁸⁴ “UK soldier killed in Iraq named”, *BBC News Online*, 22 July 2007, news.bbc.co.uk

The Political Situation

172. In her contribution to the June debate on Iraq, the former Foreign Secretary commented on the central role of politics in the new Iraq strategy:

The initiative will be judged not solely on its immediate impact on the security environment, but on the extent to which Iraq's political leaders manage to make progress on the fundamental political issues that underlie so much of the violence.

Among the outstanding political issues, she highlighted the need to find agreement on the distribution of oil revenues, reforms to the process of de-Ba'athification, the establishment of a date for provincial elections, and revisions to Iraq's constitution. She said it was "imperative" for the future of Iraq that politicians make headway on these issues in the coming months.²⁸⁵ In its quarterly progress report to Congress in June 2007, the Pentagon reported that "Iraqi politicians continue to make little progress toward enacting laws that could advance reconciliation".²⁸⁶ Dr Howells told the Committee that Prime Minister Nouri al-Maliki's Government "have to take the question of sectarianism far more seriously than they have, and they have been told that openly."²⁸⁷

173. On 13 July 2007, the US House of Representatives voted for the third time this year in favour of legislation to end US military involvement in Iraq. It called for the Pentagon to begin to withdraw troops from Iraq in four months. The vote followed an interim report by President Bush on the new strategy in Iraq. The report said the security situation was "complex and extremely challenging", and that political reconciliation was lagging.²⁸⁸ Progress on the legislation faltered in the Senate, where a blocking mechanism was used to prevent a final vote.²⁸⁹

174. We conclude that it is too early to provide a definitive assessment of the US 'surge' but that it does not look likely to succeed. We believe that the success of this strategy will ultimately ride on whether Iraq's politicians are able to reach agreement on a number of key issues. We recommend that, in its response to this Report, the Government set out what actions it is taking to facilitate political reconciliation in Iraq.

175. We recommend that, in its response to this Report, the FCO set out its key policy objectives in Iraq and how these objectives will be measured. This should include a section on how the Government is working to ensure the Iraqi Government meets its human rights obligations and makes a fair allocation of oil and gas revenue.

Iraq and the Region

176. The security situation inside Iraq cannot be divorced from broader regional considerations. As set out in this section, neighbouring countries have a role to play in

²⁸⁵ HC Deb, 11 Jun 2007, col 543

²⁸⁶ US Department of Defense, *Measuring Stability and Security in Iraq*, 11 June 2007, p 3

²⁸⁷ Q 197

²⁸⁸ "US House votes for troop pullout", *BBC News Online*, 13 July 2007, news.bbc.co.uk

²⁸⁹ "US Senate rejects Iraq troop vote", *BBC News Online*, 18 July 2007, news.bbc.co.uk

bringing security to Iraq. Insecurity also threatens to ripple out from Baghdad to other parts of the Middle East.

177. The Iraq Study Group argued that “the policies and actions of Iraq’s neighbours greatly influence its stability and prosperity.” However, it suggested that these neighbouring states are “doing little” to help Iraq, with some (i.e. Iran and Syria) “undercutting its stability.” It told of a senior Iraqi official who believes that all of Iraq’s neighbours are intervening in the country. The study also reflected on how Iraq relates to the rest of the Middle East:

The situation in Iraq is linked with events in the region [...] Several Iraqi, US, and international officials commented to us that Iraqi opposition to the United States—and support for [Moqtada al-] Sadr—spiked in the aftermath of Israel’s bombing campaign in Lebanon. The actions of Syria and Iran in Iraq are often tied to their broader concerns with the United States.²⁹⁰

178. The Iraq Study Group quoted an Iraqi official who claimed that “Iran is negotiating with the United States in the streets of Baghdad.” Saudi Arabia and the Gulf States have been largely “passive and disengaged,” although funding for the Sunni insurgency is believed to come from private individuals in Saudi Arabia. As the situation in Iraq deteriorates, these states have shown signs of greater activity. Jordan, home to hundreds of thousands of Iraqi refugees, “fears a flood of many more.” Faced with growing instability, the Iraq Study Group argued that its neighbours could,

intervene to protect their own interests, thereby perhaps sparking a broader regional war. Turkey could send troops into northern Iraq to prevent Kurdistan from declaring independence. Iran could send in troops to restore stability in southern Iraq and perhaps gain control of oil fields.²⁹¹

In June 2007, Turkey’s Foreign Minister Abdullah Gul announced that Turkey has planned a blueprint for the invasion of northern Iraq “in the finest detail” and that it would take action if US or Iraqi forces were unable to dislodge guerrillas of the rebel Kurdistan Workers Party (PKK). Turkish Generals have deployed 20–30,000 troops along the border with Iraq.²⁹²

179. There are growing concerns about Iran’s involvement in Iraq. In our Report in 2006, we concluded that the organisation, weaponry and technology for a number of terrorist attacks in Iraq “emanated from within Iran.”²⁹³ Over the course of the past year, this claim has increasingly been made by the Government. In February 2007, the US published evidence that it claimed proved weapons responsible for killing coalition soldiers had come from Iran.²⁹⁴ Later that month, the then Prime Minister said,

²⁹⁰ The Iraq Study Group, *The Way Forward – A New Approach*, 6 December 2006, p 24

²⁹¹ Ibid, pp 25–8

²⁹² “Turkey warns of plans to invade northern Iraq”, *The Guardian*, 30 June 2007

²⁹³ Foreign Affairs Committee, Fourth Report of Session 2005–06, *Foreign Policy Aspects of the War against Terrorism*, HC 573, para 265

²⁹⁴ “US sets out Iran bombs evidence”, *BBC News Online*, 11 February 2007, news.bbc.co.uk

No one can be sure of the precise degree to which those in the senior levels of the Iranian Government are complicit, but it is certainly very clear that that is the origin of that weaponry.²⁹⁵

Simon McDonald, then Iraq Director at the FCO, told us in February that “the motivation and the authorisation” for supplying the weapons “are not clear.”²⁹⁶ In May 2007, the then Prime Minister went further in his assessment of Iranian involvement by stating that “elements of the Iranian regime” were backing terrorism in Iraq.²⁹⁷

180. We conclude that any intervention into Iraq by neighbouring countries would have an immensely damaging impact on regional security. We recommend that the Government urge Turkey in the strongest possible terms to refrain from carrying out or threatening to carry out such actions. We further recommend that, in its response to this Report, the Government set out what evidence it now has that points towards the complicity of the Iranian Government in supporting terrorism in Iraq.

Engaging Regional States

181. The Iraq Study Group identified the need for an international support structure (or “Support Group”) to stabilise Iraq and ease tensions in neighbouring capitals. It argued that the Support Group should be comprised of “every country” that has an interest in avoiding a “chaotic Iraq”. This would include Iran and Syria.²⁹⁸ Indeed, it recommended that these two countries should be engaged “without preconditions.”²⁹⁹ However, this recommendation was not picked up by President Bush when he set out his new strategy in January. We asked the former Foreign Secretary about engagement with Iran. She told us that the Government,

continue[s] to maintain contacts with both Iran and Syria and to recognise the potential they have to contribute to the solution. Equally though we continue to recognise [...] that they have the capacity and continue in many ways to play a very negative role.

With reference to the Bush Administration, she argued that the phrase “without preconditions” was the key issue. She pointed out that if Iran suspended nuclear enrichment, the US would be willing to engage diplomatically with Tehran.³⁰⁰

182. In February, Simon McDonald told us that whilst the Government’s approach towards engaging with Iran had been “somewhat different” from that of the US, the policy of the Bush Administration was “evolving.” He noted that on the issue of Iraq, the US was “reconsidering” the merits of dialogue with Iran.³⁰¹ The extent of this was soon apparent.

²⁹⁵ HC Deb, 21 February 2007, col 269

²⁹⁶ Q 42

²⁹⁷ HC Deb, 9 May 2007, col 154

²⁹⁸ The Iraq Study Group, *The Way Forward – A New Approach*, 6 December 2006, p 32

²⁹⁹ Ibid, p 36

³⁰⁰ Oral evidence taken before the Foreign Affairs Committee on 11 January 2007, HC 209–i (2006–07), Q 47

³⁰¹ Q 40

When Mr McDonald again appeared in front of the Committee in March, he had recently returned from the first Iraq ‘neighbours’ meeting. In his assessment,

The meeting was an achievement for Foreign Minister Zebari, who has been trying to get Iraq's neighbours to come to Baghdad to discuss the range of issues that Iraq has had with them for some time. He finally succeeded [...] and got not only the neighbours but key international organisations to attend, such as the Arab league, the UN, the Organisation of the Islamic Conference and the P5 of the UN.

This sounds very much like the Support Group proposed by the Iraq Study Group. Mr McDonald told us there was a “good discussion”, and that “all the neighbours” said the “right things.” He informed us of the establishment of three working groups, looking at refugees, security and fuel imports. He also reported on the evolving US approach:

At the end of the conference, the US ambassador, who was leading the US delegations, said that he had had businesslike, constructive and positive working relations with the Iranian and Syrian delegates across the conference table. He did not actually make direct contact with them, but the basis for that was laid. They were working in the same room, and in the margins of the margins there was more progress with the Syrians than with the Iranians.³⁰²

Mr McDonald agreed that the US was now accepting this particular recommendation of the Iraq Study Group without saying so.³⁰³

183. Since this first meeting in March, diplomatic engagement on the issue of Iraq has deepened. In May, Egypt hosted a high level follow-up called the Iraq Neighbours Conference. The list of attendees included the then Foreign Secretary, US Secretary of State Dr Condoleezza Rice, and the Iranian and Syrian Foreign Ministers. The then Foreign Secretary took the opportunity to have a meeting with the Iranian Foreign Minister, but Dr Rice did not engage with him formally. She was reported to have made more progress with Syria. The Conference also led to the establishment of the “International Compact for Iraq”, which focused, among other issues, on debt relief, reconstruction and political benchmarks.³⁰⁴ Later in May, the US Ambassador in Iraq, Ryan Crocker, held a four-hour meeting with his Iranian counterpart, focusing primarily on security concerns. Both sides viewed the discussions as “positive.” These were the first formal talks between Iran and the US since 1980.³⁰⁵

184. We conclude that it is welcome that regional states and key international players are now engaged in formal discussions on the situation in Iraq. We note that it has long been the policy of the Government to engage with Iran, and we are encouraged by signs that the US Administration is now accepting the wisdom of this approach. We recommend that, in its response to this Report, the Government set out the key agreements of the International Compact for Iraq and what progress has been made towards them.

³⁰² Q 207

³⁰³ Q 41

³⁰⁴ “Rice breaks the ice with Syria, but not Iran”, *The Guardian*, 4 May 2007

³⁰⁵ “Iran and US see ‘positive’ steps in first formal talks since hostage crisis of 1980”, *The Guardian*, 29 May 2007

Iraqi Refugees

185. One of the working groups emerging from the Iraq neighbours meeting focuses on the issue of refugees. In November 2006, the then Secretary of State for International Development noted there were 1.6 million internally displaced persons in Iraq, with 424,000 leaving their homes in the aftermath of the Samarra bombing.³⁰⁶ In a written answer in February 2007, he provided estimates by the UN on the numbers of Iraqi refugees in neighbouring countries. The total number of refugees was 1.8 million. This included 25,000 to 40,000 in Lebanon, 700,000 in Jordan, estimates of up to 1,000,000 in Syria, 100,000 in Egypt, 16,000 in Turkey and 54,000 in Iran. The UN did not have figures for Kuwait or Saudi Arabia.³⁰⁷ In March, we asked Dr Howells for his assessment of the refugee situation. He said it was “a disaster” and that there was “no way around it” but to improve security in Iraq, in particular in Baghdad.³⁰⁸

186. When the Committee travelled to Syria, we were struck by the strain that a now estimated 1.3 million Iraqi refugees were placing on the infrastructure in Damascus. Those of us who visited Jordan heard of similar difficulties there. Dr Rosemary Hollis told the Committee that the influx of Iraqi refugees had changed “the identity” of Jordan itself. Referring to its decision to shut the border to Iraqi refugees, she argued that the country was “trying to retain control” of its destiny.³⁰⁹ Human Rights Watch has argued that all of Iraq’s neighbours are now seeking to keep out refugees. Saudi Arabia, for instance, is developing a US\$7 billion high-tech barrier on its border with Iraq.³¹⁰

187. In June, the Government set out how much money it had provided in recent years to the International Committee of the Red Cross, the United Nations High Commissioner for Refugees (UNHCR), and the International Organisation for Migration (IOM) specifically on the issue of refugees and displaced people.

Year	£ Sterling		
	ICRC	UNHCR	IOM
2003	18,000,000	1,750,000	—
2004	—	—	—
2005	10,000,000	—	—
2006	4,000,000	—	—
2007	7,000,000	1,500,000	1,000,000
Total	39,000,000	3,250,000	1,000,000

³⁰⁶ HC Deb, 22 Nov 2006, col 107W

³⁰⁷ HC Deb, 5 Feb 2007, col 626W

³⁰⁸ Q 196

³⁰⁹ Q 83

³¹⁰ “Iraq: Neighbors Stem Flow of Iraqis Fleeing War”, 17 April 2007, www.hrw.org

The figures reveal that the UK provided no financial support to the UNHCR and the IOM on this issue in the years 2004, 2005 and 2006.³¹¹ Although support was provided to the ICRC, it is unclear how much of this was earmarked for those that had been displaced beyond Iraq's borders. In March 2007, Human Rights Watch claimed that the UK had, at the start of 2007, done nothing to support Jordan and Syria in helping them to cope with the refugee crisis.³¹²

188. Human Rights Watch has also argued that the US and UK, as the countries primarily responsible for the intervention in Iraq in 2003, should do more to help resettle Iraqi refugees. In March 2007, it noted:

There is no British programme for resettling Iraqis in the UK, even for those who have served the UK authorities. And the vast majority of asylum seekers who manage to get here on their own are seeing their applications refused. In the 12 months to September, out of 780 applications processed only 55 were granted some form of asylum.³¹³

The Home Office takes the lead on the Government's policy on resettlement. However, the issue of Iraqi refugees has clear implications on the diplomatic and political landscape of the Middle East (perhaps similar to the impact of Palestinian refugees since 1948). In that light, we asked Dr Howells about the Government's intentions on resettlement. He told us that the Home Office was in discussions with UNHCR on the possibility of "resettling a small number of very vulnerable Iraqi cases". If the Government agreed to this, exact numbers would be determined at a later date.³¹⁴ In February, the Bush Administration announced that it would allow 7,000 Iraqis to resettle in the US.³¹⁵

189. We conclude that the Iraq refugee crisis requires urgent attention. We are concerned that the Government does not appear to have provided any financial support to the UNHCR to assist the plight of refugees between 2004 and 2006. We recommend that, in its response to this Report, the Government set out how much of the money provided to the ICRC in these years was earmarked for refugees outside of Iraq's borders. We further recommend that the Government provide financial assistance to Syria and Jordan to help them cope with Iraqi refugees, but that this assistance should be conditional on these countries keeping their borders open to Iraqi asylum seekers. We welcome the Government's proposal to resettle a small number of very vulnerable Iraqis and recommend that it accelerate its discussions with the UNHCR on this issue.

³¹¹ HL Deb, 26 Jun 2007, col 137WA

³¹² "British policy on Iraqi refugees is not only morally indefensible, but also shortsighted", *The Independent*, 6 March 2007

³¹³ Ibid

³¹⁴ Ev 127, Q 10

³¹⁵ "U.S. plan to allow 7,000 Iraqi refugees to come to America sparks praise and scepticism", *International Herald Tribune*, 15 February 2007

7 Iran

Introduction

190. Our predecessor Committee published a wide-ranging Report into Iran in 2004. Since then, the importance of Iran as a regional actor in the Middle East, and factors which affect its relations with the UK, have made it even more crucial for this Committee to consider this country carefully. We are addressing different parts of the Government's policy towards Iran in three separate ways. Recently, we published a Report on the foreign policy aspects of the recent incident involving the detention by Iranian Revolutionary Guards of UK personnel operating in the Shatt al-Arab waterway.³¹⁶ This Report addresses Iran's impact on regional dynamics in the Middle East. Finally, we launched an inquiry earlier this year on Iran's nuclear programme, for which we are still gathering evidence. We intend to report to the House on this issue in due course.

Iran's Impact on Regional Dynamics

191. Iran has had an impact on regional dynamics in the Middle East in a number of different ways. Dr Howells told us that Iran was an “emerging great power” in the region.³¹⁷ When he gave evidence to the Committee, Professor Anoush Ehteshami provided us with a broad outline of the key issues in which Iran is involved:

The issues are: Lebanon, the stability of the Sunni-led Government and the role of Hezbollah therein; Iraq and Iran's role therein; Iran's nuclear programme and its impacts—environmental, political, security and so on—on its neighbours; and last but not least, Palestine.³¹⁸

We address the impact of these issues below.

Lebanon

192. As we noted in our chapter on Lebanon, there is no doubt that Iran is a key supporter of Hezbollah, both in terms of Hezbollah's domestic ambitions and its international impact. Dr Howells went so far as to call Hezbollah a “puppet organisation” run by the Iranians.³¹⁹ In his written submission, Professor Ehteshami argued that last summer's conflict in Lebanon “illustrated an altogether new dimension to Iran's regional role.” He succinctly set out how this occurred:

The Iranian government's open and unreserved support for Hezbollah stood in sharp contrast to the more cautious line of the Arab governments in the Gulf and in Egypt and Jordan who largely pronounced Hezbollah's action as ‘reckless’ in the early days of the war... Furthermore, if this campaign was ultimately a proxy war

³¹⁶ Foreign Affairs Committee, Sixth Report of Session 2006–07, *Foreign Policy Aspects of the Detention of Naval personnel by the Islamic Republic of Iran*, HC 880

³¹⁷ Q 192

³¹⁸ Q 114

³¹⁹ Q 178

between Tehran and Washington, as many commentators in Iran and Washington insiders have surmised, then the fact that mighty Israel was being reduced to that of the US' 'champion' in the battle against Iran's much smaller Arab protégé played out very badly in strategic terms for Israel's desire to maintain its deterrence against hostile neighbours.

However, he noted that there was an even more serious aspect to Iran's support for Hezbollah:

[T]he fact that in the eyes of the Arab masses Israel (and by extension the US) in fact lost the war will have a much bigger strategic implication for Iran's neighbours as Tehran's neoconservatives begin to position themselves as the only force able and willing not only to challenge the US-dominated status quo but also to change the regional balance of power in favour of 'the forces of Islam'.

Professor Ehteshami suggested that Iran had managed to carve out a role for itself in the Arab world, "giving it another platform" for the exercise of its power in the Middle East. He noted that this power base in Lebanon was now being reinforced through massive welfare spending projects in the Shi'a areas.³²⁰

193. Dr Ali Ansari argued that Iran could not "direct" Hezbollah in the way some suspect it can, using the analogy of the relationship of the US to Israel.³²¹ Professor Ehteshami agreed, noting that:

Iran has a very direct interest in the success of Hezbollah as a political force, just as it has been nurturing the other Shi'a organisation in Lebanon—Amal. Iran's interest is to domesticate Hezbollah as much as it can.

However, he warned that the security element of the relationship could not be ignored:

If Iran felt any threat from Israel, for instance by way of pre-emptive strike on its nuclear capabilities, I think that it would find it too difficult to resist the temptation to use Hezbollah regionally.³²²

On the basis of this evidence, it is clear that Iran's role in Lebanon is crucial to understanding the broader political dynamics of the Middle East.

Iraq

194. Iraq is perhaps the most intensive and important theatre for the projection of Iranian influence across the region. We noted in our chapter on Iraq that Iran is widely believed to be having a destabilising influence in the country. In this section, we take a closer look at the nature of Iran's relationship with Iraq. Dr Rosemary Hollis told us of the connections between Iran and Iraq. She remarked:

³²⁰ Ev 31, para 9

³²¹ Q 118

³²² Q 119

You would have to say that the situation in the 1990s—when there was very limited coming and going, except smuggling, on the Iraq–Iran border—was more abnormal than the situation after the collapse of Saddam Hussein’s Government [...] I do not think that you can draw a line, separate the two and say that they have no business in each other’s affairs.³²³

Professor Ehteshami expressed a similar sentiment when he told us that “it always surprises me that people express concern about Iran having influence in Iraq”, noting that this influence is culturally and socially rooted. Dr Ali Ansari, referring to the Iran–Iraq war of the 1980s, highlighted a strategic aspect beyond this cultural relationship. He said that Iranians had made it,

clear that they had one single red line as far as Iraq was concerned, which was that they would not allow a military threat to emerge from the country again. I think that that is a valid concern that they have in Iran; that is what they want to do. Therefore, they will exercise a certain amount of influence.³²⁴

195. We have seen that the Government is now openly speculating about the disturbing and negative influence of Iran in Iraq. Dr Ansari told us that with regard to issues of “sabotage and insurgency support”, one is required to distinguish “between elements of what we would call the formal Government and the Islamic Revolutionary Guard Corps, which sometimes has a separate agenda.” However, he did acknowledge that the two were linked when he commented that the ascendancy of Iran’s President Ahmedinejad in 2005 let the Revolutionary Guard “off the leash.”³²⁵

196. We are particularly interested in this issue of different agendas and power struggles within Iran itself, and how this impacts on Iraq. Dr Ansari addressed differences of opinion with regard to coalition forces in Iraq, telling us that:

There are two schools of thought within Iran on the issue [...] On one hand, they would rather not have permanent American bases in Iraq; at the same time there is a range of views in Iraq that say, ‘The Americans should at least clear up the mess they made and then they can go. Let’s not get them out now.’ On the other hand, there are also those—let us be honest about it—who are extremely ideologically ill-disposed towards the west [...] who think this is a good opportunity to irritate and harass them and force them out.³²⁶

197. In his written submission, Professor Ehteshami warned how the situation in Iraq could affect the dynamic between Iran and other states in the region. He argued that,

when one hears a high ranking Saudi official say that ‘Iraq is already a lost battle’, then one is left with little doubt that a much bigger crisis than the 2003 Iraq war itself will be facing the region in the seasons to come. Without regional co-ordination, or

³²³ Q 74

³²⁴ Q 109

³²⁵ Q 109

³²⁶ Q 110

indeed a security dialogue between Tehran and Washington, the drift in Iraq will deepen the chasm between Iran and its Arab neighbours.³²⁷

This is not an appealing prospect.

The Occupied Palestinian Territories

198. In 2005, President Ahmedinejad notoriously remarked that Israel should be “wiped off the face of the earth.”³²⁸ He has also hosted a holocaust denial conference in Tehran. Professor Ehteshami told us that the President’s rhetoric has killed the efforts (that were beginning to emerge under his predecessor, President Mohammed Khatami) to “establish intellectually Israel’s right to exist.”³²⁹ Dr Ansari argued that his pronouncements were aimed at “the wider Arab world rather than the Iranian world”, and that he leaned towards “Islamist-populist” tendencies. He noted that the holocaust conference had “engendered a certain amount of very negative reaction in Iran” itself.³³⁰

199. Iran funds and politically supports the Hamas movement in the Occupied Palestinian Territories.³³¹ Professor Ehteshami told us about Iran’s relationship with the Palestinians:

Iran’s reach has not come through just polemical or ideological support for the Palestinians. For the first time, there is a Government in the Palestinian Territories—a Hamas-led Government—who choose to make their first foreign trip to Tehran and not to an Arab capital.

He told the Committee that Iran had supplanted the EU as the biggest financial backer to the Palestinian Authority, and that this had “not sat well with the Arab world”, in particular those states such as Saudi Arabia that have a large stake in the Palestine issue and Egypt and Jordan, who “are worried about how Iran could influence” their relations with Israel. He argued that US pressure on Arab states not to deal with Hamas had left an opening that Iran was able to exploit.³³²

200. Earlier in this Report, we outlined Saudi Arabia’s role in establishing the national unity Government in the Occupied Palestinian Territories through the Mecca agreement. Given Saudi Arabia’s broad regional opposition to Iran, we asked Dr Gooderham how Iran would react to the agreement. In his reply, he noted that Iran has,

said from time to time that it would accept any outcome to which the Palestinian people themselves were committed. Naturally, we hope that it will abide by that and that, if a Government of national unity are formed and their platform reflects the three Quartet principles, Iran will not attempt to undermine that Government and bring about their collapse.³³³

³²⁷ Ev 32, para 15

³²⁸ “Israel should be wiped off map, says Iran’s president”, *The Guardian*, 27 October 2005

³²⁹ Q 116

³³⁰ Q 115

³³¹ Q 10

³³² Q 114

³³³ Q 34

Professor Ehteshami warned the Committee that it would be easy for Iran to oppose the Mecca agreement if it sensed that Hamas was being coaxed into “changing sides.”³³⁴ However, as we have documented in this Report, the EU and US did not alter their relationship with Hamas following Mecca. Iran’s ability to influence Hamas was therefore not seriously challenged, and indeed could have been increased.

201. There are fears that the events of June 2007 will only serve to strengthen Iran’s influence with Hamas in the Gaza Strip. The isolation faced by Hamas in the Arab world following its forceful takeover arguably leaves it more reliant than ever on its core political support. It remains to be seen how Iran will seek to influence Hamas in the coming months.

Key Arab States

202. It is important to consider the changing nature of Iran’s relationship with states such as Saudi Arabia and Egypt. We noted earlier that Dr Howells referred to Iran as an “emerging great power” in the Middle East. At an earlier evidence session, Dr Gooderham had warned us that not all states felt this way. He noted that:

You say that Iran sees itself as the regional power. I do not think that any other country in the region sees it, or wants to see it, as the regional power. Some of the activity that we have seen on the part of the Arab Governments, particularly since the Lebanon war, has clearly reflected that. There has been a determination to demonstrate that actually there are other Governments in the region who can play a positive role and are determined to try to do so. That is why there has been the emergence of the so-called Arab quartet, which is an informal grouping.

The Arab Quartet is comprised of Jordan, Egypt, Saudi Arabia and the United Arab Emirates. Dr Gooderham emphasised how the Arab Quartet’s work on the Occupied Palestinian Territories, in particular, was attempting to counter Iran’s role in the region.³³⁵

203. The issue of Iran’s nuclear programme also impacts on its relationship with key Arab states. Professor Shai Feldman, in his written submission, argued that following the Iraq war, Iran was the dominant local power in the Gulf region.³³⁶ The Gulf Co-operation Council (GCC), an organisation comprising of six Arab states, has expressed concern at Iran’s nuclear development. Professor Ehteshami wrote that in September 2006,

without a hint of irony, the GCC Secretary-General used a major conference on the risks of nuclear pollution and proliferation to call on the Arab world to join forces to develop nuclear power for peaceful purposes.

He further argues that if Iran is able to develop nuclear weapons unhindered, “it will have acquired a major lead over all its neighbours in both geopolitical and geo-strategic terms.”

³³⁴ Q 114

³³⁵ Q 52

³³⁶ Ev 94, para 14

This will represent a “major shift in power” away from the Gulf Arab states towards Iran, and will impact on all who rely on the Persian Gulf for energy supplies.³³⁷

204. Ultimately, Professor Ehteshami warned that the key question now was whether Tehran would be able to develop, “for the first time in Iran’s modern history” an “uninterrupted chain of alliances that would take its influence from Afghanistan and Tajikistan to the east right across to Lebanon and Palestine in the west.”³³⁸ Dr Ansari made an interesting point when he argued that:

When we talk about Iran’s growing regional influence, one of the things that we have to bear in mind is that a lot of this is a consequence of own goals that have been scored by various parties in the Middle East.³³⁹

Whether it is Israel’s perceived defeat in Lebanon, the inability to sustain the national unity Government in the Occupied Palestinian Territories, or the lack of planning for the aftermath of the Iraq war, this argument appears to hold.

The Role of the UK & the International Community

205. The UK established full diplomatic relations with Iran in the late 1990s. Professor Ehteshami told the Committee that Britain’s relationship with Iran is “long-standing and complicated.”³⁴⁰ Dr Ansari agreed, arguing that “there is no more complex relationship than that which Iran has with the United Kingdom.” This, he argued, had an important historical dimension that is “extremely sensitive” on all sides.³⁴¹ The historical dimension refers to events such as the British influence in Iran during the period of Empire, Ayatollah Khomeini’s *fatwa* against Sir Salman Rushdie and, as Professor Ehteshami noted, Iran’s unwillingness to forget the role that the UK played in toppling Prime Minister Mossadeq through a coup in the 1950s.³⁴² Dr Ansari told the Committee that:

The Iranians certainly value the relationship with the United Kingdom. There is a strong element of respect for what the British can do politically. That is historically founded. There is obviously also a great deal of cynicism as to what Britain can do politically. That means that it is a relationship that has to be worked on [...]

There is clearly a huge amount that Britain can do, and it can play a very positive role, but it needs to be done very much with an eye on history.³⁴³

206. We asked our witnesses whether Iran saw the UK more as a trans-Atlantic player or as a member of the European Union. Professor Ehteshami replied:

³³⁷ Ev 33, para 17

³³⁸ Ev 33, para 17

³³⁹ Q 114

³⁴⁰ Q 120

³⁴¹ Q 121

³⁴² Q 120

³⁴³ Q 121

I would say that it sees Britain in both roles. It sees Britain as the United States' closest global ally alongside Israel, which is a problem for Tehran. At the same time, being America's closest ally apart from Israel is an opportunity. One gets the interesting sense that Iran sees Britain much less as a European Union power than as a transatlantic actor. It is that perceived capacity that I think causes Tehran to give weight to Britain's voice internationally.³⁴⁴

Dr Ansari believed that, given the variety of views in Iran, different parts of the political spectrum viewed the relationship with the UK in different ways:

The current Government in Iran, with Mr. Ahmadinejad, has an ideological dislike of the United Kingdom—'You are the little Satan, but not a poor one.' That would be quite difficult, but there is a range of opinions in Iran, particularly in the previous Government and also among moderate conservatives and others who would see some sort of relationship with Britain as very positive.³⁴⁵

207. The UK is engaged with Iran over a number of issues, including Afghanistan, the various crises in the Middle East and Iran's nuclear programme. We were told by Dr Ansari that "Iranians see everything in a holistic way. I do not think that they separate those issues." He warned that "the tendency of western analysts to categorise and compartmentalise things does not work" when addressing the relationship with Iran. However, Professor Ehteshami believed that there were specific issues that could be addressed without addressing the whole. For example, he told the Committee that the City of London is "crucial to Iran's international trade" and that it has the potential to be an important partner for Iran's business community.³⁴⁶

208. The US has no diplomatic relationship with Iran. However, as noted earlier in this Report, it has begun to engage with Tehran on the issue of Iraq in recent months. Simon McDonald told the Committee that the US and the UK have differences in their diplomatic approach to Iran:

We have not had press conferences. We are trying to change Iranian behaviour. That is a central feature of our dialogue with Tehran.

However, as noted elsewhere in this Report, he did acknowledge that US policy was "evolving".³⁴⁷

209. We conclude that Iran is rapidly increasing its influence and power across the Middle East. It has demonstrated that it is able to generate or exploit crises in a range of countries, thus furthering its own interests. We conclude that it is vital that the UK and the international community engage constructively and coherently with Iran on these difficult issues. We will consider the challenge of engagement, in particular on Iran's nuclear programme, in greater depth in our report on Global Security: Iran.

³⁴⁴ Q 120

³⁴⁵ Q 122

³⁴⁶ Q 123

³⁴⁷ Q 40

8 British Diplomacy and the Region

210. Earlier chapters in this Report have focused on the Government's policies towards particular countries and issues in the Middle East. There are, however, clear relationships between these issues. This section therefore considers the Government's approach to the Middle East as a region. It looks both at its attempts to create a narrative of the dynamic within the region as well as its wider strategic objectives.

The 'Arc of Extremism'

211. In recent years, the Government has often articulated a narrative tying together various developments in the Middle East. In a highly significant speech in August 2006, the then Prime Minister argued:

What is happening today out in the Middle East [...] and beyond is an elemental struggle about the values that will shape our future. It is in part a struggle between what I will call Reactionary Islam and Moderate, Mainstream Islam. But its implications go far wider. We are fighting a war, but not just against terrorism but about how the world should govern itself in the early 21st century, about global values.

He stated his belief that "Reactionary Islam" [the capitalised letters are his] was responsible for backward steps in the Occupied Palestinian Territories and Lebanon, as well as in Iraq. He touched on what he believed to be their motives:

They hope that the arc of extremism that now stretches across the region, will sweep away the fledgling but faltering steps Modern Islam wants to take into the future.

The then Prime Minister argued:

From now on, we need a whole strategy for the Middle East. If we are faced with an arc of extremism, we need a corresponding arc of moderation and reconciliation. Each part is linked. Progress between Israel and Palestine affects Iraq. Progress in Iraq affects democracy in the region. Progress for Moderate, Mainstream Islam anywhere puts Reactionary Islam on the defensive everywhere. But none of it happens unless in each individual part the necessary energy and commitment is displayed not fitfully, but continuously.³⁴⁸

212. The then Prime Minister's contention that there is an 'arc of extremism' in the Middle East is controversial. We asked a number of our witnesses about this phrase. Dr Rosemary Hollis argued that it "does not take you very far." Nomi Bar-Yaacov claimed that "the lack of distinction" was "extremely unhelpful." She added that it was "important to scrutinise separately every group that commits violent acts."³⁴⁹ Dr Howells' remarks on the phrase deployed by his own Prime Minister were surprisingly frank:

³⁴⁸ "Speech to the Los Angeles World Affairs Council", 1 August 2006, www.pm.gov.uk

³⁴⁹ Q 75

I think it is unhelpful. It neither defines the problem nor does it help us come up with solutions. I have all kinds of meetings in this country and elsewhere as part of our Muslim outreach programme, and there is a great deal of resentment about the generalisations that we tend to indulge in.³⁵⁰

213. The issue of whether we can group together and collectively deal with groups in different parts of the Middle East by combating an ‘arc of extremism’ is related to the debate over the ‘war on terror’. In our 2006 Report, we accepted that the phrase ‘war against terrorism’ was an inappropriate one, as it did not adequately describe what has become a multi-faceted and complex international effort.³⁵¹ In April 2007, the then Secretary of State for International Development announced that the Government would no longer use the phrase ‘war on terror’. He argued that “this isn’t us against one organised enemy with a clear identity and a coherent set of objectives”. He went on to suggest that by letting various oppositional groups “feel part of something bigger, we give them strength.”³⁵² This argument could equally apply to the phrase ‘arc of extremism’.

214. The notion of an ‘arc of extremism’ is also related to the idea that there is a ‘Shi’a crescent’ spreading across the Middle East. King Abdullah of Jordan first used this term in 2005, arguing that power of the Shi’a community stretched from Iran to Iraq, Syria, and Lebanon. It threatened the stability of Gulf States and posed a challenge to the US. Dr Ali Ansari told us that the comments of some Arab leaders are “really quite astonishing.” He argued that “it does not make policy easy. It basically simplifies us into making more mistakes.” Professor Anoush Ehteshami told us that King Abdullah’s remarks revealed a “concern” that, with the advent of democracy in Iraq, “the Shi’a issue is now an Arab issue.”³⁵³

215. In its written evidence, the British Council warned that language and rhetoric such as “radicalisation” and “extremism” can be “seen as reviving colonial approaches and dividing the region on the basis of religious sects”.³⁵⁴

216. We conclude that the use by Ministers of phrases such as ‘war on terror’ and ‘arc of extremism’ is unhelpful and that such oversimplifications may lead to dangerous policy implications. We agree with the Minister for the Middle East that these phrases cause unnecessary resentment. We recommend that the Government should not use this or similar language in future.

The Middle East and the Government’s International Priorities

217. In 2003, the FCO published a White Paper, *Active Diplomacy for a Changing World: the UK’s International Priorities*. An updated edition was published in 2006. The purpose of the White Paper is to set out current policy challenges and what the Government should

³⁵⁰ Q 200

³⁵¹ Foreign Affairs Committee, Fourth Report of Session 2005–06, *Foreign Policy Aspects of the War against Terrorism*, HC 573, para 3

³⁵² “Benn criticises ‘war on terror’”, BBC News, 16 April 2007, news.bbc.co.uk

³⁵³ Q 125

³⁵⁴ Ev 130

do to meet them.³⁵⁵ Ten international strategic priorities have been set to guide the Government's engagement with the rest of the world over the next five or ten years. These are:

- making the world safer from global terrorism and weapons of mass destruction;
- reducing the harm to the UK from international crime, including drug trafficking, people smuggling and money laundering;
- preventing and resolving conflict through a strong international system;
- building an effective and globally competitive EU in a secure neighbourhood;
- supporting the UK economy and business through an open and expanding global economy, science and innovation and secure energy supplies;
- achieving climate security by promoting a faster transition to a sustainable, low carbon global economy;
- promoting sustainable development and poverty reduction underpinned by human rights, democracy, good governance and protection of the environment;
- managing migration and combating illegal immigration;
- delivering high-quality support for British nationals abroad, in normal times and in crises;
- ensuring the security and good governance of the UK's Overseas Territories.³⁵⁶

A number of these priorities are clearly relevant to the Middle East. The FCO's Public Service Agreement (PSA) targets from the 2004 Comprehensive Spending Review are roughly based around these priorities. These targets are outcome-focused. Of particular interest are PSA 2 (Terrorism), PSA 3 (Conflict Prevention) and PSA 7 (Islamic Countries). In this section, we focus on the first two of these. We consider the FCO's engagement with the Islamic world in the section below.

218. The overall Conflict Prevention target reads as follows:

By 2007/08, improved effectiveness of UK and international support for conflict prevention, through addressing long term structural causes of conflict, managing regional and national tension and violence, and supporting post-conflict reconstruction, where the UK can make a significant contribution, in particular Africa, Asia, the Balkans and the Middle East. This target is shared with Department for International Development (DfID) and Ministry of Defence (MoD).

³⁵⁵ Foreign and Commonwealth Office, *Active Diplomacy for a Changing World: The UK's International Priorities*, CM 6762, March 2006

³⁵⁶ www.fco.gov.uk

Based on 12 indicators looking at regions and themes around the world, the FCO 2006–07 Departmental Report concludes that between 1 April 2006 and 31 March 2007, it was “broadly on course” to meet this target, with some “minor slippage”.³⁵⁷

219. The detail of the 12 indicators identifies the cause of this “minor slippage”: Iraq and the Middle East Peace Process. Both are identified as having experienced “major slippage” and were judged as not on course to meet their target.³⁵⁸ Given the severe deterioration in security in both the Occupied Palestinian Territories and Iraq highlighted in this Report, there may be a case for arguing that “major slippage” in these two arenas ought to weigh more heavily in the FCO’s consideration of whether it is meeting its Conflict Prevention target.

220. The FCO has a PSA target on terrorism. The broad target is to “reduce the risk from international terrorism so that UK citizens can go about their business freely and with confidence”. Again, the FCO judges that it is “on course” to meet this target. This assessment is generated from six indicators, for instance, “raised awareness of the scale and nature of the terrorist threat.”³⁵⁹ The six indicators consider important issues, but there is no mention of the role that conflicts in the Middle East might play in aiding or hindering the fight against international terrorism. In our final Report on *Foreign Policy Aspects of the War against Terrorism*, we concluded that the situation in Iraq had provided both “a powerful source of propaganda” for extremists and “a crucial training ground for international terrorists associated with al Qaeda”.³⁶⁰ As with Conflict Prevention, there is a strong case that the Government’s response to the situations in Iraq, Lebanon and the Palestinian Territories should be central to a consideration of whether the FCO’s policies have indeed reduced the risk from international terrorism.

221. The Government is currently negotiating new PSA targets that will be set across the whole of Government rather than on a Department by Department basis.³⁶¹ These will replace the targets established under the 2004 Comprehensive Spending Review. When the Permanent Under-Secretary at the FCO, Sir Peter Ricketts, gave evidence to the Committee in June 2007, he told us that the FCO would have ten Departmental strategic priorities and “a much smaller number of PSA targets.”³⁶² The FCO will lead the Government’s work on the conflict prevention PSA.³⁶³ Sir Peter told the Committee that conflict prevention was “one of the most difficult areas” in which to get “sensible performance measures” for the work of the FCO and other Departments.³⁶⁴ We will consider the nature of Public Service Agreements in greater depth in our Report on the FCO’s Annual Report 2006–07 later this year.

³⁵⁷ Foreign and Commonwealth Office, *Departmental Report 1 April 2006–31 March 2007*, May 2007, CM 7099, p 153

³⁵⁸ *Ibid*, p 154

³⁵⁹ *Ibid*, p 152

³⁶⁰ Foreign Affairs Committee, Fourth Report of Session 2005–06, *Foreign Policy Aspects of the War against Terrorism*, HC 573, para 21

³⁶¹ “The PSA Framework in CSR 2007”, 17 October 2006, www.hm-treasury.gov.uk

³⁶² Oral evidence taken before the Committee on the Foreign and Commonwealth Office Annual Report 2006–07, 26 June 2007, HC 795–i (2006–07), Q 31

³⁶³ *Ibid*, Q 25

³⁶⁴ *Ibid*, Q 27

222. We conclude that, when measuring its performance on conflict prevention and combating global terrorism, the Government should pay closer attention to the impact of its foreign policy in the Middle East than it has done under the 2004 Public Service Agreement targets. We recommend that the indicators for the 2007 Public Service Agreement target on Conflict Prevention reflect the impact of conflicts in the Middle East, including Iraq, the Occupied Palestinian Territories and Lebanon, on broader global security.

Engaging with the Islamic World

223. The debate around the ‘arc of extremism’ is linked to a wider discussion regarding engagement with Islamist movements. In this Report, we have identified a number of such movements across the Middle East. The Muslim Brotherhood is strong in Egypt, and Hamas and Hezbollah cannot be ignored in the Occupied Palestinian Territories and Lebanon respectively. Many of Iraq’s political parties are established along sectarian or confessional lines, and the religious nature of the Islamic Republic of Iran is evident in the state’s name.

224. In its White Paper, *Active Diplomacy for a Changing World: the UK’s International Priorities*, the FCO identified the need to engage with Islamic theological issues “in partnership with Muslim governments, leaders, scholars and others” in order to prevent radicalisation and terrorist recruitment.³⁶⁵ The FCO’s 2004 PSA target on “Islamic countries” reads:

To increase understanding of, and engagement with, Islamic countries and communities and to work with them to promote peaceful political, economic and social reform.

Under this broad target are eight indicators, ranging from “greater political pluralism in Islamic countries as a result of UK contribution” to “the fostering and promotion of a moderate version of Islam”. In its self-assessment, the FCO believes it is “on course” to meet its overall target. The FCO documents a range of conferences held and reforms carried out in countries such as Morocco and Turkey – this is to be welcomed. However, in its two pages on this issue, there is no mention of the impact of the situation in Iraq or the refusal to engage with Hamas or Hezbollah in delivering this PSA target. Lebanon and Saudi Arabia are only mentioned peripherally.³⁶⁶ A more comprehensive approach is required to tackle these key issues.

225. The Government funds projects worth £8.5 million a year under the “Engaging with the Islamic World Programme”, which is part of the Global Opportunities Fund. These projects are carried out through non-governmental organisations or multilateral bodies. It envisages outcomes including “reduced extremism and conflict in the Islamic world” and

³⁶⁵ Foreign and Commonwealth Office, *Active Diplomacy for a Changing World: The UK’s International Priorities*, CM 6762, March 2006, p 52

³⁶⁶ Foreign and Commonwealth Office, *Departmental Report 1 April 2006–31 March 2007*, May 2007, CM 7099, pp 162–164

“strengthening of civil society.” Priority countries include Egypt, Saudi Arabia and the Occupied Palestinian Territories.³⁶⁷

226. The Government’s reputation in the Middle East is an important factor in determining its ability to engage with the Islamic world. This has been influenced by its position on Iraq, Israel–Palestine, the Lebanon war and relations with Iran. Dr Rosemary Hollis told the Committee about the way the Government is viewed in the region:

On the Arab side, I personally found much more hostility than I ever used to have to endure, just by virtue of being British. Although I know that there is no question but that the Governments in the region will deal with visiting Members of Parliament and official representatives of Her Majesty’s Government with absolute protocol and politeness, and will urge the British to understand their point of view and tailor policy to it, in civil society there is a level of contempt for the British now.

She further argued that the notion that British foreign policy in the region is driven by values is considered by Arab populations to be “nonsense.” She concluded by arguing that “repairing Britain’s image in the region” would take some time.³⁶⁸

227. We asked Dr Peter Gooderham a question along the same lines, with particular reference to the Israel–Palestine dispute. He claimed that “we are viewed by both the Palestinians and the Israelis as a country with influence” and that “by our actions and by our words, we have a good track record in that respect.”³⁶⁹ Dr Howells argued that, in the region, “there is a great deal of respect for Britain’s position” over Lebanon.³⁷⁰ However, in our earlier evidence session on Lebanon, he admitted to the Committee that the Government’s position “probably generated a lot of hostility” amongst Arab populations.³⁷¹

228. The new Minister of State at the FCO, Lord Mark Malloch Brown, also made comments about the Government’s reputation at the time of the Lebanon war, when he was Deputy Secretary-General of the UN. He told the *Financial Times* that, following the Iraq war, the UK carried with it “a particular set of baggage in the Middle East” and that it should not have attempted to take the lead on Lebanon.³⁷² In its written submission to the Committee, the British Council presented its emphatic view of the UK’s reputation in the region:

Perceptions of the UK are heavily and negatively influenced by UK foreign policy involvement and have led to apprehension and scepticism on the part of some British Council partners. There is a clear decrease in trust and understanding between people in the region and the UK, even though a distinction is usually made between UK foreign policy and wider UK society.³⁷³

³⁶⁷ “Engaging with the Islamic World Programme”, www.fco.gov.uk

³⁶⁸ Q 66

³⁶⁹ Q 13

³⁷⁰ Q 149

³⁷¹ Oral evidence taken before the Foreign Affairs Committee on 13 September 2006, HC 1583–i (2006–07), Q 11

³⁷² “Transcript: Interview with Mark Malloch Brown”, *Financial Times*, 1 August 2006, www.ft.com

³⁷³ Ev 130

229. In its written submission to the Committee, the Church of England argued that “Islamist groups will continue to provide the foundation of political opposition for the foreseeable future. They are likely to be the immediate beneficiaries of any political reform.” It suggested that the Government should engage with these Islamist groups constructively, in particular with their reformist wings, whilst at the same time pressing for democratic political reform in the Middle East.³⁷⁴ However, the British Council warned us that there appears to be “donor fatigue” around support aimed at promoting good governance, democratisation and reform because, in part, of the suspicion in which such initiatives are held by wider society.³⁷⁵ In Lebanon, we heard from the Westminster Foundation for Democracy about the work that they are doing to promote political reform in the country. We believe that it is vital to continue with this work across the whole of the Middle East.

230. We conclude that the FCO should continue to have a Departmental objective on relations with the Islamic World. This should, however, give sufficient weight to the impact of British policy in Iraq, Lebanon and the Occupied Palestinian Territories. We are concerned that the damage done to the Government’s reputation in the Arab and Islamic world may affect its ability to influence the political situation in the Middle East. We recommend that, in its response to this Report, the Government set out what action it is taking to improve its influence and reputation in the Arab and Islamic world.

Developing a Middle East Strategy

231. This Report has touched on the need for the Government to adopt a holistic approach to the Middle East, whilst at the same time acknowledging the diversity in the political environment across the region. The Government also needs to manage expectations of what is possible, what is practical and what is desirable in the Middle East.

232. The Government’s White Paper and Policy Review are pitched at a general level – they afford little opportunity for the FCO to set out its diplomatic strategy towards the Middle East. In March 2007, Lord Triesman launched the Government’s public strategy paper with regard to its relationship with Latin America to 2020.³⁷⁶ Given the gravity of the situation in the Middle East today, and the active and sometimes controversial role that the Government plays in the region, we believe a similar approach should be taken here.

233. We recommend that the Government publish a public strategy paper on its relationship with the Middle East. This paper should set measurable targets for progress, and consider the political situation in different countries as well as addressing important cross-cutting themes such as democratisation, good governance and the rule of law. We believe that such an approach will help ensure the Government continues with a holistic approach to the region, improve the public’s confidence in the

³⁷⁴ Ev 82, para 7

³⁷⁵ Ev 130

³⁷⁶ Foreign and Commonwealth Office, *Latin America to 2020: A UK Public Strategy Paper*, March 2007, www.fco.gov.uk

Government's approach to the Middle East, and increase the opportunity for effective scrutiny of its engagement in this area of multiple crises.

Formal minutes

Wednesday 25 July 2007

Members present:

Mike Gapes, in the Chair

Mr Fabian Hamilton	Mr Malcolm Moss
Mr David Heathcoat-Amory	Sandra Osborne
Mr John Horam	Mr Greg Pope
Mr Eric Illsley	Sir John Stanley
Andrew Mackinlay	Ms Gisela Stuart
	Richard Younger-Ross

Draft Report (*Global Security: The Middle East*), proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 6 read and agreed to.

Paragraph 7 read, amended and agreed to.

A paragraph—(*The Chairman*)—brought up, read the first and second time and inserted (now paragraph 8).

Paragraph 8 (now paragraph 9) read and agreed to.

Paragraph 9 (now paragraph 10) read, amended and agreed to.

Paragraphs 10 to 16 (now paragraphs 11 to 17) read and agreed to.

Paragraph 17 (now paragraph 18) read, amended and agreed to.

Paragraphs 18 to 23 (now paragraphs 19 to 24) read and agreed to.

Paragraph 24 (now paragraph 25) read, amended and agreed to.

Paragraphs 25 to 39 (now paragraphs 26 to 40) read and agreed to.

Paragraph 40 (now paragraph 41) read, amended and agreed to.

Paragraphs 41 to 43 (now paragraphs 42 to 44) read and agreed to.

Paragraph 44 (now paragraph 45) read, amended and agreed to.

Paragraphs 46 to 48 (now paragraphs 47 to 49) read and agreed to.

Paragraph 49 (now paragraph 50) read, amended and agreed to.

Paragraphs 50 to 65 (now paragraphs 51 to 56) read and agreed to.

Paragraph 66 (now paragraph 67) read, amended and agreed to.

Paragraphs 67 to 71 (now paragraphs 68 to 72) read and agreed to.

Paragraph 72 (now paragraph 73) read, amended and agreed to.

Paragraphs 73 to 81 (now paragraphs 74 to 82) read and agreed to.

Paragraph 82 (now paragraph 83) read, amended and agreed to.

Paragraphs 83 to 104 (now paragraphs 84 to 105) read and agreed to.

Paragraph 105 (now paragraph 106) read, amended and agreed to.

Paragraphs 106 to 113 (now paragraphs 107 to 114) read and agreed to.

Paragraph 114 (now paragraph 115) read, amended and agreed to.

Paragraphs 115 to 118 (now paragraphs 116 to 119) read and agreed to.

Paragraph 119 (now paragraph 120) read, amended and agreed to.

Paragraphs 120 to 137 (now paragraphs 121 to 138) read and agreed to.

Paragraph 138 (now paragraph 139) read, amended and agreed to.

Paragraphs 139 to 169 (now paragraphs 140 to 170) read and agreed to.

Paragraph 170 (now paragraph 171) read, amended and agreed to.

Paragraphs 172 and 173 (now paragraphs 173 and 174) read and agreed to.

Paragraph 174 (now paragraph 175) read, amended and agreed to.

Paragraphs 176 to 178 (now paragraphs 177 to 179) read and agreed to.

Paragraph 179 (now paragraph 180) read, amended and agreed to.

Paragraphs 180 to 187 (now paragraphs 181 to 188) read and agreed to.

Paragraph 188 (now paragraph 189) read, amended and agreed to.

Paragraphs 189 to 232 (now paragraphs 190 to 233) read and agreed to.

Resolved, That the Report, as amended, be the Eighth Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Several Papers were ordered to be appended to the Minutes of Evidence.

Ordered, That the Appendices to the Minutes of Evidence taken before the Committee be reported to the House. —(*The Chairman*)

The Committee further deliberated.

[Adjourned till 12 September at 2.00 pm]

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Dr Rosemary Hollis, Director of Research, Chatham House, and **Nomi Bar-Yaacov**, Foreign Policy Adviser on Middle Eastern Affairs

Ev 10

Wednesday 7 March 2007

Nadim Shehadi, Associate Fellow, Chatham House, and **Patrick Seale, Author**, Consultant and Syndicated Columnist

Ev 21

Dr Ali Ansari, St Andrews University and **Professor Anoush Ehteshami**, Durham University

Ev 34

Wednesday 14 March 2007

Dr Kim Howells MP, Minister of State for the Middle East, **Simon McDonald CMG**, Director, Iraq, and **Dr Peter Gooderham**, Director, Middle East and North Africa, Foreign and Commonwealth Office

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Oral evidence

Taken before the Foreign Affairs Committee

on Wednesday 28 February 2007

Members present:

Mike Gapes (Chairman)

Mr Fabian Hamilton
Mr John Horam
Mr Paul Keetch
Andrew Mackinlay

Mr Malcolm Moss
Mr Ken Purchase
Sir John Stanley
Richard Younger-Ross

Witnesses: **Simon McDonald**, CMG, Director, Iraq, Foreign and Commonwealth Office, and **Dr. Peter Gooderham**, Director, Middle East and North Africa, Foreign and Commonwealth Office, gave evidence.

Q1 Chairman: Good afternoon, everybody. Thank you very much for coming, Dr. Gooderham and Mr. McDonald. We are very pleased to have you here. As you know, the Committee is examining the whole issue of global security, but we are focusing on the Middle East at the moment and we shall visit the region in a few weeks. Both of you are very experienced in the region and in your current posts, so we shall be very grateful for your expertise and insights on the current situation. I shall begin by asking some questions about the current Palestinian situation and the internal politics of the Palestinian Authority. How would you assess the current power balance between Fatah on the one hand and Hamas on the other?

Dr. Gooderham: Thank you, Chairman. I am happy to be here this afternoon to answer these questions. One needs to reflect back to the situation that has developed over the last year or so since Hamas won the elections to the Palestinian Legislative Council. Since then, it has attempted to govern through the Palestinian Authority. On the other hand, of course, there has been President Abbas, who is a member of Fatah and who was also elected, through the presidential elections the previous year. So there has been a rather uncomfortable arrangement between the President and the Palestinian Authority—the Government, if you like, of the Palestinian Territories.

In recent weeks, we have seen an effort by both sides to forge a Government of national unity. That is what was brokered by the Saudis in Mecca earlier this month. Under that arrangement, the Ministries will be shared out between Hamas, Fatah and some of the other political groupings in the Palestinian Territories. Under the arrangement, if it is promulgated and the Government are formed and approved by the Palestinian Legislative Council, Hamas will still have the largest number of seats in the Government, but some Fatah members will come in, as well as some independents. That is the situation today. We are in wait-and-see mode now, as we see how the agreement brokered in Mecca is taken forward.

Q2 Chairman: How important is the Mecca agreement? Does it simply reflect the current balance between Fatah and Hamas, or does it point a way forward for the future?

Dr. Gooderham: We certainly hope it points the way forward for the future. We have been hoping that some arrangement of that nature could be brought about for some time. We have not been happy with the situation that we were confronted with roundabout this time a year ago, when a Hamas Government came into office who were not committed to the three principles that the Quartet had set out. It is not clear yet whether the agreement brokered in Mecca can be said to reflect those three principles, but President Abbas has said that it is a good first step. There is more work to be done between now and the formation of the Government, and naturally we very much hope that the programme of that Government will reflect the three principles, which would enable us to engage with them.

Q3 Chairman: But there was this quote from the *Financial Times*, which I would be interested to know whether you agree with: “Under Mecca, the Islamists do not, and Hamas will not, recognise Israel.”

Dr. Gooderham: I do not think we can say that definitively, because we do not know what the full extent of what will follow from Mecca will amount to. This is a process. We know from discussions with President Abbas that what he was most anxious to achieve at Mecca was a cessation of the violence between Hamas and Fatah that had broken out over the past couple of months and which naturally was of great concern to not only him, but the international community as a whole. To that extent, it appears that the Mecca agreement has been a success. It has resulted in an ending to the intra-Palestinian fighting. It is still too early to say what that will mean in terms of the new Government’s platform.

Q4 Chairman: But you have an agreement that was signed not only by the internal Hamas leadership, Ismail Haniya, but the most important Hamas

leader, Khaled Mashal. He is based in Syria, but he was in Mecca. Is that a constraint on the future movement of Haniya or does it mean that the external Hamas people are fully signed up to the process?

Dr. Gooderham: We hope very much that it is the latter. It is significant that Mashal, as well as Haniya, were there and that the agreement was brokered by the Saudis. That is something that the whole international community applauded. It understood the significance of that. We must wait to see in the days ahead what that amounts to in terms of a programme for the new Government. It is significant that Mashal was present at the Mecca discussions and that he, as you said, put his name to the agreement.

Q5 Mr. Keetch: Dr. Gooderham, you were right to say that Mecca is a process and that we are going down it. We still have to see how it develops and how the words of Mecca are put into action. However, the process will succeed only if Israel and the international community—notably the United States—actually accept it. How do you judge their initial reaction to the agreement? Unless they support it, it will go nowhere.

Dr. Gooderham: Your analysis is exactly right. In light of what they said publicly and what they have said to us privately, our understanding is that they are also in wait-and-see mode. It would be fair to say that they would not regard the Mecca agreement as it exists today—the document and the letter of designation, which President Abbas sent to Haniya, the formal process for producing a new Government—as sufficient to constitute a programme that reflects the three Quartet principles. The United States, at least, has put its name to Quartet statements since the Mecca agreement, which make it clear that we recognise that it is a process and that we shall wait to see what further there is to come.

Q6 Mr. Keetch: You mentioned the Quartet. Are you happy that it remains united, strong and together on the process? Again, it is surely vital that, if the process is to succeed, the Quartet should remain united in its previously described principles.

Dr. Gooderham: Yes, I agree. It is easy to have a very gloomy view of the overall prospects for the Palestinian issue, but there have been some positives in recent months. One them is most definitely the role of the Quartet and the United States' willingness to commit to that. The Quartet is now meeting regularly at the so-called principles level; its most recent meeting was last week in Berlin. It clearly intends to meet again in the near future, which is all to the good. We are not at the moment a member of the Quartet in the sense that we do not sit at the meetings. The European Union represents us at the Quartet, but it is clear from the read-outs that there is a good atmosphere among the four participants and a good understanding of what needs to happen in respect of the international community.

Q7 Sir John Stanley: Dr. Gooderham, you have made no mention so far of the utterly dire humanitarian position in Gaza and on the West Bank, which has been deteriorating steadily. From any humanitarian standpoint, it is absolutely appalling, and it continues as we have this meeting today. Do you agree that the Mecca agreement and the fact that Hamas appears to have gone at least some way towards the recognition of international agreements justifies the Quartet starting to make some moves on the lifting of economic sanctions, particularly when those sanctions are impacting so harshly on the Palestinians in Gaza and on the West Bank?

Dr. Gooderham: First, it is important to say that we would not use the term “economic sanctions”. In fact, what we have done since Hamas came into office is to find ways to get assistance to the Palestinian people directly, bypassing the Palestinian Authority. The figures speak for themselves. Over the past year, the European Union has given about €680 million to the Palestinian people through various mechanisms, including, of course, the temporary international mechanism. That is a record figure—the most money that the EU has ever given to the Palestinian people in any one year—and it is a reflection of the concern about the worsening humanitarian situation in the territories, which you rightly draw attention to.

That situation is getting worse for a number of reasons, but not because the international community, for its part, is not providing assistance to the Palestinian people. On the contrary, our assistance over the last year has reached record levels and the UK, for its part, is one of the biggest donors among the EU member states. Our contribution bilaterally last year was £30 million. If you add the contribution that we give on a pro rata basis to the European Commission's funds, we gave over £70 million last year.

Q8 Sir John Stanley: Whether you want to characterise them as economic sanctions or not, the reality is that desperately needy people, both in Gaza and on the West Bank, are dependent on outside help for the basic necessities of life—food, medicine, and so on. In many cases, they are unable to work and earn their own livelihood. Do you not agree that that is an unacceptable situation from a humanitarian standpoint? Also, could you reflect on what I said earlier: does the Mecca agreement not justify at least some modification of the policy and, coupled with that, some greater determination by the Quartet to make it clear to the Israeli Government that, although they are fully entitled to protect and defend themselves and to deal with acts of terrorism, that simply cannot continue at the expense of the basic human rights and humanitarian needs of the people of Palestine, in Gaza and on the West Bank?

Dr. Gooderham: Again, I agree very much with you. We hope very much that it would be possible to work with the new Government, once formed, and once we have clarity on the extent to which

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their programme reflects the three Quartet principles. It is not only the international community that will need to be satisfied of that; Israel will also need to be satisfied. About 50% of the revenues that come into the Palestinian Authority are customs revenues that Israel collects on behalf of the Palestinian Authority. However, since the elections for the PLC, Israel has not been prepared to transfer those revenues to the Palestinian Authority, with the exception of \$100 million that was transferred as a result of the bilateral meeting that President Abbas and Prime Minister Olmert held just before Christmas last year.

We hope very much that all concerned, including Israel, will be able to conclude matters, once we have further clarification that this is a Government with whom we can do business and with whom we can resume direct assistance. In the meantime, we will continue to use mechanisms such as the temporary international mechanism to continue doing everything that we can to alleviate the plight of the Palestinian people—we completely agree that their plight is awful, and getting worse.

Q9 Chairman: Before I bring in my colleagues, I would like to clarify what your assessment is of the total revenues now going into the Palestinian Authority. You said that the Israelis were responsible for payment of about 50% of those revenues and that they have paid some of that, in the form of the \$100 million that you have just referred to, but presumably several hundred million dollars are still being held. Has the increase in the total EU contribution—reaching, as you said, a record level—in effect been a substitution for the money that the Israelis have held back, or is it not as simple as that?

Dr. Gooderham: It is not quite as simple as that because, as I said, the money that the European Union—both the Commission and individual member states—has given has bypassed the Palestinian Authority, so we have not actually given any money to it over the last 12 months or so.

My recollection is that before Hamas came to office, the revenue of the Palestinian Authority was about \$120 million a month, of which about half—some \$60 million—came from customs revenue, which Israel collected on behalf of the Palestinian Authority. An additional \$30 million came from international support and contributions from the European Union and other donors. The remainder came from funds generated within the territories. As far as I am aware, that last figure has remained more or less stable over the last 12 months. It might have fluctuated a bit, but not dramatically.

That is pretty much all that the Palestinian Authority has been able to draw on for its funding, which has obviously precipitated the difficulties experienced by Palestinian Authority employees, of which there are about 88,000 in the non-security sector. As a result, they have not been getting their salaries. The temporary international mechanism was designed to overcome that. About 88% of all those employees are now getting some assistance

through that mechanism. It is not a full salary; I am not pretending that they are as well off as they were before Hamas came to office. That would be incorrect, but they are getting some relief.

Q10 Chairman: Has there been an assessment of the amount of money coming from the Arab and Muslim worlds to the Palestinians? Are there any data on that? Has that figure gone up since Hamas came to power, or has it gone down?

Dr. Gooderham: There are certainly no official figures of which we are aware. Some support has been given by some Arab states to President Abbas and his office, particularly in recent months. It is clear that Hamas has received funding, notably from Iran, and possibly from Syria as well. However, as far as we can determine, most of the funding went directly into Hamas's pockets, and not to the ministries of the Palestinian Authority.

Q11 Chairman: Thank you. If you have more detailed information, it would be helpful if you could send us a note.

Dr. Gooderham: Happily.¹

Q12 Mr. Hamilton: We have discussed the role of the Quartet in the region and how it has been trying to help the Palestinian Authority to manage, or at least play a role in bringing both sides together. However, do the British Government have a separate role and how are they viewed by the peoples of Israel and the Palestinian territories?

Dr. Gooderham: There is definitely a role for us. We would not describe it as a separate one, but as a complementary one to that of the Quartet. I think that we are seen by the Israelis, Palestinians, most others in the region, our European partners and the US as a Government who over a good many years have demonstrated a commitment to, and expertise in this issue. I think that it is fair to say, therefore, that we are in the inner circle, as it were, of key international players. The Prime Minister and Foreign Secretary have devoted a lot of time and attention to the issue in order to see what role we can play. We have tried to forge ahead in many areas in order to identify a distinct role for ourselves.

We have been very active in helping the Palestinians to rationalise and improve their security sector, which certainly the Israeli Government have welcomed and see as a positive step—as do the Palestinians, of course. We have been working with the US security co-ordinator, General Dayton, to achieve that end. We have also been trying, particularly through the Department for International Development, to improve the governance arrangements in the Palestinian territories. You may recall that we hosted a conference in London about two years ago. It was designed to address that set of issues. It did not have the lasting impact that we would have liked,

¹ See Ev19.

but we certainly have not given up. We see it as an essential prerequisite to what we hope will be the eventual formation of a Palestinian state.

Q13 Mr. Hamilton: You do not believe that we are viewed with suspicion by the Palestinian population because of our close alliance with the United States and their friendship with Israel? I take it that that does not come into it.

Dr. Gooderham: I think we are viewed by both the Palestinians and the Israelis as a country with influence and one that is trying to find a way to resolve the conflict. I think that, by our actions and by our words, we have a good track record in that respect.

Q14 Mr. Hamilton: Do other European countries split their diplomatic representation in the way that we do, with an ambassador in Tel Aviv to deal with Israel and a consulate general in East Jerusalem to deal with the Arab and Palestinian populations? Are we unique or does everyone do that?

Dr. Gooderham: Everyone does that, yes.

Q15 Mr. Hamilton: Let me move on to the issue of Hamas. You have explained to us in great detail what the Mecca agreement means and how we hope that a Government of national unity can be created with Fatah and Hamas working together for the benefit of the Palestinian people, but have we had any informal contact with Hamas ourselves as a Government?

Dr. Gooderham: No, we have not had contact since early 2005.

Q16 Mr. Hamilton: In spite of the fact that Hamas continued to say that it was devoted to the destruction of the state Israel, will we be prepared to talk to this new unity Government once it is formed, even though Hamas is part of it?

Dr. Gooderham: I come back to what I said earlier. We have to wait and see. I am sorry that I cannot be more forthcoming than that, but it really is a case of needing a little bit of time. President Abbas himself has drawn attention to that and has explained that this is the first step—he describes it as a good first step—and we obviously hope that he is right in that assessment, but we are not there yet. We need more time. I think that I am right in saying that Prime Minister Haniya has another three weeks before he has to present his Government to President Abbas for approval and then it goes to the PLC for ratification. There is still some time for the process that was launched at Mecca to evolve in what we hope will be a positive direction.

Q17 Mr. Hamilton: I have one final question on this. In the light of what my colleague Sir John Stanley has just said, have we made any representations to the Israeli Government about releasing the rest of the money and resuming full payments to the Palestinian Authority? There clearly is a great deal of suffering not only by those who work for the Government of the Palestinian

Authority—they are not getting their full salary—but by the very poorest people as well. Perhaps we could help if Israel is prepared to release those funds.

Dr. Gooderham: We have made representations. Naturally, we welcome the \$100 million that Prime Minister Olmert agreed to release as a result of his meeting President Abbas just before Christmas. We would like to see a transfer of the remainder of the funds, which Israel is collecting on behalf of the Palestinians. We take note of its view that the money should not be transferred to the PA itself as long as the PA is governed by a movement that is not yet committed to the three Quartet principles. There are other mechanisms, however, such as the temporary international mechanism, which is one that we have used ourselves to provide money to the Palestinian people, and one that we have encouraged the Israelis to use as well.

Q18 Mr. Purchase: I would like to continue on the same theme, which is in regard to the continual and greater suffering of the Palestinian people whom I support. In the words of John Stanley, “We were there together”. Since then, the situation has got worse, which is a tragedy for ordinary people. We saw support for Hamas grow simply because the ruling party Fatah was not delivering. Therefore, they voted and decided on Hamas, which I like no more than the Quartet does, but, for me, that is not a reason to stop speaking to it. Yet the Quartet laid down its three conditions: renouncing violence, recognising Israel and agreeing to past commitments.

The first thing that a new Government do is not necessarily agree to past commitments—they are a new Government. It seems a bit thin to make that a condition. Recognising Israel? Well, there are many countries in the world that do not recognise other countries; China and Formosa come to mind, but that never stopped us talking to them—again, it is a very thin reason. Renouncing violence? There are so many states in the world that actively engage in violence, but we still talk to them. The conditions that we are imposing are superficial at best and malevolent in other circumstances, when we know that, ultimately, the whole of diplomatic history is littered with examples of not talking to someone, but really talking to them and then having to talk to them in order to make progress. You know better than me that the poor people of Palestine in these circumstances are suffering massively for exercising their democratic right. As diplomats, you must respond to this in a human way.

Dr. Gooderham: We certainly do. On your point about the three Quartet principles, they do not set the bar very high at all. They are principles that the previous Palestinian Authority had no difficulty in signing up to and that President Abbas himself has proclaimed as his own platform and starting point. It would be an enormously retrograde step if the international community as a whole was to accept or conclude that this is, as it were, the best that we can achieve with the new Government. It would take us years, if not decades, backwards from

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where we had got to. Admittedly, if you recognise that the high point was 2000, we have been clearly sliding back from that since, with the intifada and so on. However, it is quite clear that if the international community was to abandon the three principles and simply forget about them, we would be going even further in a downward direction, away from the ultimate goal, to which the whole international community—virtually without exception—is committed: the two-state solution.

Q19 Mr. Purchase: Very often, when you have minimum goals—if that is the right phrase—there is still a need to talk, to have a discourse, to interact, in order just to reach what you regard as a very low hurdle. It may well be a low hurdle. Why can we not talk now to put forward these ideas, views and conditions? They would be pre-talks, before the conditions are met. At least we would see some progress. At least, we would have some comfort knowing that progress was in prospect, if not actually being made.

Dr. Gooderham: The answer to that is that it has been our judgment—and that of the Quartet and of the international community more broadly—that the approach that is more likely to bring us to a position where we can talk to an organisation such as Hamas is to make clear to them what the basic framework and principles have to be for dialogue. If we do not establish that and, if we simply start from ground zero, there will be no pressure on the organisation to move or to evolve into the sort of movement that we would like it to evolve into, which is to say one that is committed to the three principles. That is why we have adopted the policy that we have.

Chairman: Thank you. We will move on to Israeli politics.

Q20 Mr. Horam: How do you assess the state of Israeli public opinion in the light of these developments? Are things changing or not?

Dr. Gooderham: Simon may want to say something as a former ambassador in Tel Aviv, but perhaps I will start off by saying that I think it is fair to say that the reaction in Israel to the Mecca agreement has been pretty negative.

Q21 Mr. Horam: Pretty negative?

Dr. Gooderham: Yes, pretty negative. The Government in Israel, like ours and others, are adopting a wait-and-see approach, but it is fair to say that the reaction in the Israeli media has been pretty negative.

Q22 Mr. Horam: Why is that?

Dr. Gooderham: Because they feel that the agreement does not even come close to the three principles, so in their eyes it is a disappointing outcome. However, our assessment is that this is a process, and we should not rush to judgment; we do not think that it would be right to do that. We hope that there is more to come, and we naturally hope that over time the Israeli people will come to a similar conclusion.

The Israeli Government are not in a strong position domestically, largely because of the fall-out from the Lebanon war last summer, which continues to reverberate in Israeli politics. Inevitably, that constrains the extent to which the current Government are able to operate in respect of these issues.

Q23 Mr. Horam: Does it really hog-tie them completely?

Dr. Gooderham: Not really, because Olmert has taken steps. He met President Abbas before Christmas, and then there was the trilateral meeting with Abbas and Condoleezza Rice, as a result of which Prime Minister Olmert has committed to another bilateral meeting with President Abbas, which we welcome. That is against the backdrop of critical commentary in Israel over the performance of his Government, which inevitably constrains his room for manoeuvre somewhat. Simon, do you want to add anything?

Mr. McDonald: I should like to add a couple of points, if I may. First, I am struck that although, as Peter says, the Government have little room for manoeuvre, there is still great popular support for a peaceful, two-state solution.

Q24 Mr. Horam: That remains strong, does it?

Mr. McDonald: That remains strong. Recent polling put it as high as 74%, so there is interest among the populace. However, as Peter said, the Government are constrained. The polls are poor for Mr. Olmert's Government; he has a 65% negative rating, and his Defence Minister has a 1% approval rating.

Q25 Mr. Horam: So there is a complete dislocation between the aspirations of the Israeli people, who still want peace, and their expectation as to whether the Government can deliver it.

Mr. McDonald: At the moment.

Q26 Chairman: Before we move on, can I ask you whether support for unilateralism is now completely off the scale—is it minimal in Israeli politics?

Mr. McDonald: My observation is that Mr. Olmert's platform last March was the Hitkansut—the convergence plan—which was unilateral, as the disengagement from Gaza had been. That plan is parked because of his political difficulties. However, he is still interested in it personally. If he could find a way, he would still be interested in making progress. At the moment, he is just not able to.

Q27 Mr. Horam: Can we come back to the Mecca agreement. That was a bit of a gamble for Saudi Arabia, was it not?

Dr. Gooderham: I think that is putting it a bit too strongly. Earlier on I mentioned the role of the Quartet. One of the other positives of recent months has been a much greater commitment by a number of Arab states, including Saudi Arabia, to trying to find a solution to the Israel problem.

Q28 Mr. Horam: In those Arab states, would you call Jordan, Egypt, Saudi Arabia and the United Arab Emirates a quartet?

Dr. Gooderham: Yes, they are the so-called quartet. They are not the only countries to be involved. The Americans have also had a series of meetings with the Gulf Co-operation Council countries, two of which are members of the quartet.

Q29 Mr. Horam: But they are all marching together, are they?

Dr. Gooderham: They are all clear about the importance of trying to find a lasting solution to the Israel and Palestine conflict. The Lebanon conflict last summer was a wake-up call for all of us, including Arab Governments.

Q30 Mr. Horam: These Governments are always getting wake-up calls, and they do a little bit then back off and go to sleep again. Is that what happens?

Dr. Gooderham: Well, I do not think that they have dozed off yet, considering the Mecca agreement, which you just mentioned. What really precipitated the Saudi determination to broker an agreement in Mecca was the sight of Palestinians fighting each other in Gaza in an ugly way. It looked for a moment as though the matter could get seriously out of control, and people were talking about a civil war and so on. That horrified many around the world, including of course in the Middle East itself.

Q31 Mr. Horam: But what can the Saudis really do? They have a lot of money, so they can put some money behind the problem? What do they want? How far are they prepared to push it?

Dr. Gooderham: They are trying to push it. As I said earlier, they are trying to get Hamas to understand the importance of accepting a Government of national unity with a platform that reflects the three Quartet principles. That would be in Hamas's own interests as well as those of the Palestinian people as a whole.

Q32 Mr. Horam: But are the Saudis prepared to wield the stick as well as offer the carrot?

Dr. Gooderham: They are trying to use whatever influence they can, and they succeeded in Mecca, at least to the extent of bringing about a cessation of the violence between the Palestinian factions, so they are to be applauded for that. I certainly do not think that they have now given up. They will want to continue.

Q33 Mr. Horam: They will continue to make these efforts?

Dr. Gooderham: I believe that they will, yes.

Q34 Mr. Horam: How will Iran see all this? There is a rivalry between the Saudi and Iranian Governments and people and so forth. How will they look at the Saudis exercising their muscle a bit more?

Dr. Gooderham: One would hope that the Iranian Government will also agree that the sight of Palestinians fighting each other on the streets of Gaza should not be allowed to continue. One would hope that they will also see merit in the effort that the Saudis put into brokering the Mecca agreement. It is no secret, of course, that Iran is a supporter of Hamas. It has said from time to time that it would accept any outcome to which the Palestinian people themselves were committed. Naturally, we hope that it will abide by that and that, if a Government of national unity are formed and their platform reflects the three Quartet principles, Iran will not attempt to undermine that Government and bring about their collapse.

Q35 Mr. Hamilton: To follow on from what John Horam has just asked, as the country that feels that it is the regional power in the Middle East, will Iran not feel outflanked by the Saudis and quite resentful? Is there any danger that if Hamas does co-operate or is pushed into some sort of recognition, however neutral, of the state of Israel, Iran will withdraw its funding from Hamas?

Dr. Gooderham: I would be surprised if that were the outcome. You say that Iran sees itself as the regional power. I do not think that any other country in the region sees it, or wants to see it, as the regional power. Some of the activity that we have seen on the part of the Arab Governments, particularly since the Lebanon war, has clearly reflected that. There has been a determination to demonstrate that actually there are other Governments in the region who can play a positive role and are determined to try to do so. That is why there has been the emergence of the so-called Arab quartet, which is an informal grouping. I do not think that those countries themselves would want to call themselves the Arab quartet, but that is the term of art that has arisen to describe their coming together and they are willing to get much more involved, particularly on the security side in the Palestinian Territories. That is where they have really put some effort in—to try to sort it out, rather as we have been trying to sort out the messy set of arrangements that exists for the Palestinian security forces.

Q36 Mr. Hamilton: Will Iran withdraw funding from Hamas if Hamas does not do what Iran thinks is the right thing to do? If Hamas is persuaded to recognise the state of Israel in some form, will its funding be cut off by Iran?

Dr. Gooderham: I do not see why it should be. In our view, we have not seen anything to suggest that it would be. Clearly, we would prefer to see a Palestinian Authority getting funding through overt means—through the revenues deriving from customs and through international donations that are given in an overt fashion. We would much prefer that.

Chairman: Let us move on to some questions on Syria.

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Q37 Mr. Moss: Dr. Gooderham, turning to the Syrian connection, it seems that the international community is continually looking for signs that Syria is prepared to become involved in a more positive way with Hamas, and prepared to use its influence over Hamas. Brokered talks between Khaled Mashal and President Abbas were held back in January in Damascus. Do you see that as a positive sign that Syria is inclined to become more involved?

Dr. Gooderham: Our assessment at the moment is that the jury is still out on that particular aspect of Syrian behaviour. Simon might want to say a word about Syria's relationship with Iraq, which is one of the three—

Mr. Moss: I am coming to that.

Dr. Gooderham: In which case, I suggest that Simon hangs fire.

As far as Syria and Hamas are concerned, we have certainly, along with many others, appealed to the Syrians to use their influence in a constructive way to bring Hamas to reconcile itself to the three Quartet principles. I cannot say that we have got any explicit evidence yet that that is the case, but we shall keep trying, and we hope very much that Syria will use its influence in that way.

Q38 Mr. Moss: Thank you. Turning now to the Syrian and Iranian connection with Iraq, in his statement to the House on Iraq and the Middle East last week, the Prime Minister said that there were signs that Syria's role in Iraq may be changing for the better. What is the evidence for that? Do you think that Syria will continue down that road?

Mr. McDonald: As you know, on 30 October last year Sir Nigel Sheinwald went to Damascus and saw President Bashar. As Peter has said, there were three areas of discussion—three tests, if you like, on how we judge progress—one of which was Iraq. Since that visit, relations between Syria and Iraq have improved somewhat. The first evidence of that was that they re-established diplomatic relations. Secondly, Muallem, the Syrian Foreign Minister, visited Baghdad and reopened the Syrian embassy. Since then, there has been a series of high level visits between the two capitals. Most importantly, Bulani, the Iraqi Interior Minister, went to Damascus and they agreed a memorandum of understanding covering sensitive border issues. President Talabani has been to Damascus. We see a more positive rhythm in the relationship between Syria and Iraq. I have to say that the story is most positive between those two. I do not think that the Lebanon side and the Palestine side have been as positive.

Q39 Mr. Moss: Turning to Iran and its involvement or otherwise in Iraq, in the same speech, the Prime Minister gave support to the evidence provided by the Americans about Iranian involvement, particularly with regard to the sophisticated nature of some of the roadside bombs that are now being used. He said: "No one can be sure of the precise degree to which those in the senior levels of the Iranian Government are

complicit, but it is certainly very clear that that is the origin of that weaponry".² Is there any evidence from the work that British diplomats are doing in, say, south-east Iraq, that we have obtained that supports that American view?

Mr. McDonald: We share American concerns. It is because the Prime Minister is reading the material produced by the military and the diplomats in the south-east that he made the statement that he did.

Q40 Mr. Moss: Perhaps I can return to the question a little bit more specifically. Is there any real evidence, from military or other intelligence, of movements of armaments across the Iran-Iraq border, whereby the Iranians are arming some of the insurgents in Iraq?

Mr. McDonald: We believe that there is evidence. That is part of our dialogue with Tehran, and representations have been made in Tehran and London. Our approach has been somewhat different from the American approach. We have not had press conferences. We are trying to change Iranian behaviour. That is a central feature of our dialogue with Tehran.

I have to say that the American policy is evolving. Yesterday, Secretary Rice announced that the US will take part in a meeting in Baghdad next month that will include the Iranians. We have always had dialogue with Tehran; the Americans have not, but on the issue of Iraq, they are reconsidering that.

Q41 Chairman: Do you interpret that to mean that the American Administration are now accepting the Iraq Study Group's recommendations without saying so?

Mr. McDonald: Yes.

Q42 Mr. Keetch: This comes back to Mr. Purchase's point. It is remarkable that we will talk to the Iranian Government, even though they want to obliterate the state of Israel and are probably acting to get weapons into southern Iraq to attack British troops, but we will not talk to Hamas. Many might construe that to be a not very concise position.

I want to be specific about the point that Malcolm Moss talked about. Is it your belief that weapons and technology, such as the improvised explosive devices that are being used in southern Iraq, are coming across the border with the tacit agreement of the Iranian regime, or is it more likely that Revolutionary Guard units are doing it on an ad hoc basis? Is Tehran saying yes to it, or is it being played out by elements of the Iranian military?

Mr. McDonald: If I may so, Mr. Moss gave us a very helpful quotation. The Prime Minister was very clear, and for good reason. We do not know precisely. We see evidence of the weapons coming across—that is a fact—but the motivation and the authorisation are not clear to us. That is why the Prime Minister spoke with such precision.

² *Official Report*, 21 February 2007; Vol. 457, c. 269

Q43 Mr. Keetch: And have we got our Royal Marine boat back from the Iranians?

Dr. Gooderham: Not to my knowledge.

Mr. McDonald: No.

Q44 Sir John Stanley: Did the U-turn on American policy to which you have just referred owe anything to the British Government?

Mr. McDonald: I would not characterise it as a U-turn, because the Americans and the Iranians have already had some contact, including in the Iraq context. In November 2004, there was a meeting in Sharm El-Sheikh, which brought together Iraq's neighbours and the G8. In a meeting in New York in September last year to discuss the compact, Secretary Rice and Foreign Minister Mottaki were sitting in the same room, so there is a process in place. It is significant that the Americans are making something of it—it has been part of our dialogue with them—but there was more than one pressure. I do not think that we can claim credit.

Q45 Sir John Stanley: Could you tell us what the British Government are seeking from the Syrian Government?

Mr. McDonald: In relation to?

Sir John Stanley: In relation to Iraq, Iran and Lebanon.

Mr. McDonald: I shall deal with Iraq. There is still an ongoing problem between Syria and Iraq, with links between Damascus and ex-Ba'athist rejectionist elements, so that is an issue between us. There is also an issue of militants infiltrating the Syria-Iraq border. Those are the two main things on our minds.

Dr. Gooderham: With respect to the Palestinians, we are looking to Syria for co-operation on Hamas and Palestinian Islamic Jihad, both of which are housed in Damascus. We have long felt that the Syrian Government have considerable influence over both organisations. We would like to see them use that influence in a constructive way to bring about the kind of Government that would allow for a resumption of negotiations leading to a two-state solution. That is very much what we would like to see them do on that front.

On the Lebanon front, if we were doing a scorecard, this would be the one on which we would have to give the lowest marks to the Syrians. We have not seen the kind of evidence that we were hoping to see in the wake of the war last summer that would suggest to us that Syria is playing a constructive role in respect of the very fragile situation in Lebanon. The international community is working very hard to support the democratically elected Government in Lebanon, which has been in crisis for some months. We believe that Syria is contributing to that crisis, and we would like to see it play a much more positive role in bringing the Ministers who have left the Government back into the Government and allowing that Government then to govern as normal.

Q46 Sir John Stanley: Do you consider that the Syrian Government has ruled out the possibility of a return of Syrian military forces into the Lebanon?

Dr. Gooderham: I would not want to use the words "ruled out". One would like to think that, after leaving Lebanon in the wake of the assassination of former Prime Minister Hariri, that that is it—they are not planning to return again. We have not seen any evidence to suggest that they are planning a return; it would clearly be a very negative step if they were to do that.

Q47 Mr. Purchase: Turning to Egypt—long a major player in the Middle East and a helpful player in terms of Palestine and Israel—recent developments have made life more difficult. Hamas is now in control in Gaza and the strip to Egypt and there are traditional links between Hamas and the Muslim Brotherhood. It is Egypt's belief, view and evidence that an inhibiting factor to its becoming an increasingly democratic state is the presence of the Muslim Brotherhood and its activities. Given all of that, is the relationship with Hamas and Egypt under a great deal of stress? Is there any prospect of continuing discussion there, if nowhere else? They have some mutually dependent activities, particularly in relation to Gaza. How do you see that developing over the next few months?

Dr. Gooderham: You have characterised it very well. Egypt enjoys a difficult relationship with Hamas. The Egyptians have been for some time, and continue to be, active behind the scenes in trying to get a grip, as it were, on the security situation, particularly in Gaza. They are certainly very active as a member of the so-called Arab quartet to that end. There was a recent Quartet meeting in Berlin last week. One of the agreements that came out of the trilateral meetings between Rice, Abbas and Olmert is that the quadrilateral committee, which involves the three plus Egypt, should reconvene to try to tackle the growing problem of the smuggling of arms from Egypt into Gaza, which all concerned, including President Abbas, are very worried about. That is precisely the sort of area where Egypt can play a very positive role.

Q48 Mr. Purchase: Just to develop things a little from there, as we mentioned earlier, Egypt has played a key and helpful role in the Israel-Palestine conflict for many years. Given the situation that we have been referring to—Hamas and the Muslim Brotherhood—do you believe that Egypt can still be seen as a key diplomatic broker in those circumstances between Palestine and Israel?

Dr. Gooderham: Very much. It is hard to imagine that an Israel-Palestine political process would get very far without the active support of the Egyptian Government. That is why we are so pleased to see them as actively engaged as they are. It seems to us that they are a central player.

Q49 Mr. Horam: Looking at this in context, do you regard this period as a bad one for the resolution of the Palestinian-Israeli problems? Is it

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particularly bad because of the weakness of the respective Governments—the Palestinian authority and the Israeli side—and something that we have to live with for a bit longer, or what?

Dr. Gooderham: We would not want to conclude that we just have to live with it. That is a counsel of despair, and we would not want to conclude thus. However, clearly, in historical terms, the last few years have not been good. As I said earlier, if you regard the effort made by President Clinton leading up to Camp David in 2000 as the point at which we got closest to the establishment of a Palestinian state, we have been going backwards since then. Simon referred earlier to Prime Minister Olmert's commitment to disengagement. Clearly, Israel has got out of Gaza, at least in the sense that the settlements have been removed and there is no permanent military presence in Gaza. Our hope since then has been that we can get back to a situation at which the next stage in the process can resume. We believe that the way to achieve that is through direct negotiations between the Israelis and the Palestinians, involving the United States and others as necessary.

Q50 Mr. Horam: Is there not a vicious circle in the sense that the difficulties that we now face in Palestine and Israel are hitting back on Iraq and on Lebanon and so on?

Dr. Gooderham: It is certainly true to say that all of those issues are linked. That is the argument of many who follow developments in the region, and we would agree with it. The Israel-Palestine issue is so central to the future of the region in general that it is widely accepted that, if we could resolve it, although that would not resolve all the other issues in the region—it would be naive to suppose that—it would have a very positive impact. Conversely, if we are not able to resolve it, it will remain the cancer in the region that is responsible for so much anger and hostility. That is why we are not alone in believing that we have to do everything that we can to try to resolve the issue.

Q51 Chairman: Can I finally ask you how much you think the Sunni-Shi'a conflict in Iraq and, potentially, in Lebanon could damage the wider prospects for a political solution in the region? Obviously, the Gulf Co-operation Council states are very nervous about Iran. You referred to the Arab quartet. The interesting thing is that all those countries are Sunni. Is there a hidden Sunni agenda on the wider concerns in the Arab world about not just Iranian influence, but internal Sunni-Shi'a

conflicts in some of the Gulf states and Saudi Arabia and on what is happening in Iraq and Lebanon?

Dr. Gooderham: Simon will want to say something, I am sure, about Iraq specifically. On the region in general, yes, of course everybody who has an interest in stability and prosperity is worried about the prospect of sectarian conflict breaking out, whether just in individual spots or, worse still, across the whole region. I am sure that that is a strong motivation for the Arab Governments that we have been discussing to want to get on top of issues such as Palestine, Lebanon and, indeed, Iraq.

Mr. McDonald: Clearly, there are severe problems between the Sunni and the Shi'a in Iraq. However, it is essential that the situation should not break down into a Sunni-Shi'a civil war. I do not think that we are there yet. A key feature of the Baghdad security plan that is now under way is that the Government of Iraq as a whole—Sunni-Shi'a—are implementing that plan in an even-handed way against militants in both Shi'a and Sunni communities. They are not targeting only one group. So the Government as a whole are coping with their problems.

Today, I have just come from lunch with Speaker al-Mashhadani, who is a Sunni, and he is leading a delegation of Iraqi MPs—Members of the Council of Representatives—and they come from all confessional backgrounds. A woman was also part of the delegation. Over lunch, they had a regular old ding-dong, but these people from different backgrounds are now prepared to debate and discuss matters. That is what we have to work with and work on, so that they cope with the differences through debate, not through violence.

Q52 Richard Younger-Ross: You used the term “civil war”, although it is not a civil war. How would we know when it was a civil war? How would you define that?

Mr. McDonald: I would define a civil war as rival centres of power competing—as with the Wars of the Roses in England, or the religious wars in Germany in the 17th century—but this is still fighting within one polity. I do not think that the battle lines are drawn between bits of territory within Iraq. It is still a unitary country. There is still a Government with all confessions represented, and that is the focus. There is no rival Government that is out there and seeking to topple this legitimately elected Government.

Chairman: Thank you. No doubt, we will have many opportunities to come back on that issue and the other issues that we have touched on. Mr. McDonald and Dr. Gooderham, thank you very much for coming today. We will now adjourn for a couple of minutes, to allow our other witnesses to come to the front. Anybody who wishes to leave, please leave now—that will save us a lot of time.

Witnesses: **Dr. Rosemary Hollis**, Director of Research, Chatham House, and **Nomi Bar-Yaacov**, Foreign Policy Adviser on Middle Eastern Affairs, gave evidence

Q53 Chairman: Good afternoon and welcome, Dr. Hollis and Ms. Bar-Yaacov. We know you both very well; you have given evidence to the Committee before, so it should be less of an ordeal for you than for those who come here for the first time. You heard the previous session and we would like to explore the same areas with you. May I begin by asking for your assessment of the Mecca agreement between Hamas and Fatah?

Dr. Hollis: I shall give mine and then Nomi will give hers. My assessment is that it is a welcome development because—I can substantiate this—although all the possible scenarios on the Israeli and Palestinian fronts, and the latter in particular, might be unattractive, this is the best of those scenarios—a unity Government. The alternatives included, first, the complete collapse of the Palestinian Authority; secondly, an internal Palestinian war, which we have seen a bit of already, and which would result in a very chaotic situation in the West Bank and Gaza; and thirdly, a dysfunctional situation in which Hamas struggles on.

I would like to point out that new elections now would be illegal under Palestinian Basic Law and that, therefore, it would be difficult for the international community to call for something that undermines the Palestinian constitution. In conclusion, a functioning Palestinian Authority involving both factions is a positive step, because the Quartet, including the European Union in particular, would otherwise find themselves literally with a trusteeship on their hands that they never asked for.

Ms. Bar-Yaacov: I would like to add a couple of words, although I might be a little more blunt than Rosemary. The alternative to the Mecca agreement was civil war in Gaza. I think that we saw that coming. It happened at the moment when Hamas managed to overrun Fatah's preventive security force. Hamas showed that it potentially has the upper hand in terms of force. Both factions are arming rapidly via tunnels from Egypt in order to fight each other, and but for Mecca, we would be in a dreadful place.

I also think that it is very important to note that it is a terrific achievement for Saudi Arabia, which is part of the so-called Arab quartet, which you discussed in the previous session. That comprises of Egypt, Jordan, the United Arab Emirates and Saudi Arabia. Given that Israel and Palestine are in the Middle East, that is a welcome development for further engagement with the Arab world in order to resolve the conflict. It can have a positive role, as opposed to the ambiguous, more difficult one that it played in the past.

I would also like to remind the Committee that Saudi Arabia also proposed what is today known as the Arab initiative adopted by the Arab League in Beirut in 2002, which is a very welcome peace initiative. We are increasingly seeing Saudi Arabia playing a very constructive role. Personally, I welcome the agreement and see it as a very positive step forward. If the national unity Government is

formed—there is no given that Haniya will succeed in forming such a Government, but I certainly hope that he will—I think that it should be viewed as an interim Government. I do not think that the Government would necessarily last for very long, because of internal differences between Hamas and Fatah.

Q54 Chairman: Is the arming that you talked about still going on despite the agreement?

Ms. Bar-Yaacov: The arming is going on, but there is no use of the arms. That is what has stopped. The arming is certainly going on, because there is a lot of tension between the two factions. There are a lot of unsettled scores in Gaza: more than 100 deaths earlier this month; and many of the powerful families have taken serious losses. Unsettled scores are not usually solved by peaceful means. If the national unity Government does not succeed and does not get the international community's backing and recognition, we will see a return to violence very quickly.

Q55 Chairman: How long do you think we can have what Dr. Gooderham referred to as the "wait-and-see approach" to this agreement?

Ms. Bar-Yaacov: Not too long, because the guns are back. The euphoria of the Mecca agreement did not last very long in Gaza. We saw the celebrations—the media are always where the spotlight is. Today, we see that the guns are back in the streets. We see the executive force of Hamas displaying its arms and flexing its muscle, particularly in the evacuated settlements. We also see the presidential guard, Abbas's force, displaying its armour in the streets. There is a lot of tension in Gaza at the moment. I would not describe the situation as calm and I think the wait-and-see policy should be turned into a rather more proactive policy of seeing how we can support the formation of a national unity Government and how we could work with them, given that the alternative is dire.

Q56 Chairman: But the Quartet itself is not united, is it? There are divisions within the Quartet as to how to react to this situation.

Ms. Bar-Yaacov: Yes, the Russians have already reacted, saying that they are calling to lift the boycott on the Palestinian Authority and on Hamas more specifically. The French made similar noises. However, so far, the position of the Quartet is what it came out with in a very weak statement at the end of the Berlin meeting, which was what Peter Gooderham described as a kind of wait-and-see policy. Not much has come out of the Quartet policy (post-Mecca) thus far. However, it has decided to meet in an Arab country soon and to conduct talks with the so-called Arab quartet, which I have just discussed. Again, that is a very welcome move, and I think that the Arab influence is extremely positive. The Arabs clearly know what

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the dynamics are. Their interest is certainly peace, or, rather, stability, as peace is not really on the horizon at present.

Dr. Hollis: I simply mention that last year, when Hamas won its victory, in January, the Quartet and, more to the point, the European Union adopted a wait-and-see policy, waiting until the Palestinians had formed a Cabinet—in fact, until June—before they had the temporary international mechanism for paying the salaries of doctors, teachers and so on around the edges of the PA. In other words, it took six months to adjust to the election of Hamas. If another six months are spent adjusting to the unsatisfactory, inconclusive nature of the deal done in Mecca, an insufficient signal will be sent to the Palestinians—by that I mean both Fatah and Hamas.

Fatah needs to know that there are rewards for working with the status quo. So far it has had signals that if it waits on the sidelines, the international community will bring down Hamas and then Fatah can come back to power. That has not been a very productive signal to send. Both factions need to know that there will be rewards for coming to a more practical and more moderate position on this issue of accepting precedent. Down the line, there could be an expectation of recognition of Israel at the same time as contemplating a peace deal with Israel that would be a two-state solution. That would be the moment at which Hamas would have to choose. A lot of Palestinians would expect it to choose in favour of the two-state solution rather than sticking to its principles. I am advocating that signals be sent. Fortunately, divisions within the Quartet are sending some signals that there may be light at the end of tunnel.

Q57 Mr. Keetch: It is interesting that, when I asked Dr. Gooderham about the Quartet, he talked of it being united and staying together. Clearly, you do not share that view. I tend to be more on your side of that argument than his.

I asked Dr. Gooderham about the reaction to the Mecca agreement in the United States and Israel. Unless they sign up to it, it ain't going to go very far. Did Israel and the United States react how you expected them to react? Do you think that it was generally helpful or are there signs that it could be improved, specifically in the case of the United States given that we are looking at a certain change of President in a couple of years? Will that be helpful?

Dr. Hollis: I will say something about the US; I would rather Nomi answered about Israel. If you do not believe that anything is worth doing unless the US is on board for it, we will not do anything. There has been a tacit division of labour between the US and the EU many times in the past, when the EU has had the encouragement of the United States to hold a situation because politically it was impossible for US politicians to do so. If handled skilfully, there could be similar acceptance of the Mecca process. Signs need to be given to the

Palestinians of both factions that there will be benefits for them to come up with a better joint position than they have at the moment.

Otherwise there will be a repeat of what happened with Iraq. The United States and Condoleezza Rice, in particular, were supposed to have said, "Wait a minute. Who was it who decided to create a vacuum in Iraq? Who was it who made the decision to dismantle all the Government institutions that we now have to build up from scratch?" My concern would be that, while fiddling around waiting for everybody to agree or to get a better position out of Hamas or the Palestinians, events move on and two years down the line somebody will be asking, including in America, "Whose decision was it to let this situation drift so that we have no Palestinian Authority?"

Ms. Bar-Yaacov: I will reply about the US as well as Israel. In the US, unfortunately the reaction was quite predictable. One has to look at who the decision makers are in the US. The National Security Council plays a very important role there and the role on Palestine-Israel policy is led by a neo-con, Elliott Abrams. He is very powerful and accompanies Condoleezza Rice on all her trips. He was present recently during the Quartet meeting. He opposed the Oslo agreement; he opposed the idea of exchange of land for peace; and his hardcore approach has been very detrimental to the (peace) process for a long time. He is part of the reason why the Road Map is so watered down.

As Rosemary was saying, there have been tremendous efforts on the part of the Quartet to move the process forward. There have to be some incentives and some rewards, and one of the reasons why Abbas was pushed to Mecca and why he signed to the deal in its current shape and form was that he did not get anything from the US in return (for their demands of him). He really did not. He had to go to Mashal with something and say, "Okay, come my way. Come closer to my position and, in return, I will give you one, two, three or four." But he got zero. That unfortunately is where the US's role stands.

However, the recent developments that Condoleezza Rice announced in respect of talks on Iraq that will include Iran and Syria are welcome. I should be very surprised if, in the sideline of those talks—not officially but unofficially—the question of how to deal with Israel and Palestine does not come up. Let us consider the proximity and the mere dialogue. The fact that there will be a meeting at a fairly high level at which Syrians and Iranians will be present is, of course, welcome.

As Simon McDonald said in the previous session, the current Israeli Government is very weak. It was dealt a heavy blow after the debacle in Lebanon and has very little support, so it is not really in a position to come out with any great peace moves. So in that sense, yes, unfortunately, the reaction was quite predictable.

Q58 Mr. Hamilton: May I return to internal Israeli politics and ask you both to comment on what is actually happening in Israel? As you say, Dr. Bar-Yaacov, the Kadima Government of Ehud Olmert

have been considerably weakened by the Lebanon conflict last year. We know that they are now down to 14% in the polls—even worse than the Labour Government in Britain—and that Binyamin Netanyahu, the former Prime Minister, who is a hard-liner, is increasing in popularity and is getting quite substantial backing financially from certain Israeli businessmen. Is there a danger that Olmert's Government could collapse altogether, even though they had quite a mandate from the electors just a year ago? Even if that does not happen, will the drift in leadership, with Olmert simply trying to survive in government and as Prime Minister, detract from the Israeli Government's concentration on the peace process?

Ms. Bar-Yaacov: I think that you have summed it up. I think that the Government's weakness has detracted from the peace process, because Olmert, unfortunately, is dealing with his own political survival. If you look at the current composition of the coalition, you will see that Avigdor Lieberman, who is a settler himself and a staunch advocate of the settlement policy, joined it recently. Shas, which is also not a moderate party, is in the coalition, as are the pensioners. Labour has also lost face after the war, with a Defence Minister who did not do a particularly good job either. It is a very weak Government, as you stated, and it is not going to make any bold peace moves—not only not at this time, but sooner or later it will collapse. The question is when.

Olmert is also under criminal investigation and the Vinograd Commission interim report is due next month. That commission is looking into the conduct of the Prime Minister, and that of other senior Ministers during the Lebanon war, and is unlikely to have any kind words about it. It is really just a question of time as to how long he will last. Once he goes, legally Tzipi Livni, the current Foreign Minister, will become the Prime Minister. Although she has a lot of popularity with the public, she does not have much political force and support within Kadima, her own party. Plus, Kadima's political platform has gone. The party won the election on a platform of unilateral disengagement and, because that (policy) failed in Lebanon and in Gaza, it (unilateral disengagement) is unlikely to happen again in the near future. The question is what is it (the party) standing for. I do not think that Kadima is going to be there for that much longer—certainly not as the leading power in Israeli politics.

Q59 Mr. Hamilton: And Netanyahu.

Ms. Bar-Yaacov: Yes, Netanyahu—very much so. He is racing ahead in the polls. He has got so much more support. He has five times more support—four to five times, depending on the polls—than Kadima or any other party at the moment. We all know who he is and what he stands for. He is a quite hardcore, right-wing politician. He stayed with Likud when Sharon split into the centre, into Kadima. He not only has a lot of financial support, but has a lot of public support.

Q60 Mr. Hamilton: At the moment, if I am not mistaken, Likud only has 14 seats in the Knesset. Is that right?

Ms. Bar-Yaacov: At the moment, but the most recent poll that I read on Ynet, an Israeli internet service, said that it was going to get 31.

Q61 Mr. Hamilton: That is still far short of a majority, though, is it not? It would need 61 for a majority.

Ms. Bar-Yaacov: Yes, but it will get it. If you look at the composition of the parties, it will not have any problem forming a coalition.

Q62 Mr. Hamilton: Finally, if we assume that within the next 12 months the likelihood is that the Olmert Government collapse and there are fresh elections and if, according to your analysis, Likud becomes the leading party with Netanyahu—who knows what will happen to the Labour party?—what does that say about the possibility for a future peace agreement with the Palestinians, assuming that a Government of national unity are formed and survive within the Palestinian Authority? Is not the real problem in Israel and the Palestinian territories the dire lack of any sort of leadership, and leadership towards a peace agreement? Should not the Israelis be looking beyond this, and thinking as the public thinks, that Iran is its main enemy. We know what President Ahmadinejad has been saying about Israel, so is it not time that Israel made peace with the Palestinians and Syrians, perhaps? It needs the leadership to do that.

Ms. Bar-Yaacov: It would need the leadership and it does not have the leadership, so at the moment it (Israel) feels that it is alone and under menace from Syria, from Hamas, the Palestinian Islamic Jihad, the al-Aqsa brigades, and all the different militant groups as well as Iran. As you know, fear of Iran is certainly something that is dealt with all the time. The question is not so much whether Israel wants to make peace with the Palestinians because, as Simon said earlier, 75% of the population still wants a two-state solution; the question is how we get there. There is a tremendous lack of leadership.

I will take you back a step. You mentioned Labour. Labour primaries are scheduled for 28 May. The key runners for the party are Peretz, the current Minister of Defence. If he wins, that is likely to split the party because a lot of people are very unhappy with his conduct; then you will see a split Labour, and you know what that means. The other two contenders are Ehud Barak, former chief of staff and former Prime Minister and Ami Ayalon former head of Shin Bet, the Israeli internal security service and author of the Ayalon-Nusseibeh peace principles; he is progressive and someone with vision.

Barak also carried Israel to Camp David; hopefully lessons have been learned and next time he will do better. Will it (Labour) win the next election? That is unlikely, so in terms of a timetable you are looking at Labour getting its act together with a peace platform. Meanwhile, it is a question

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of containment and management. I do not think the national unity Government in Palestine will last more than six months, maximum a year. So you are looking at a whole set of steps to manage the situation—this is the optimistic view—before you move into a conflict resolution phase from a conflict management phase.

Q63 Chairman: Did you want to say something, Rosemary?

Dr. Hollis: Only that in a piece of work that I did with an Israeli colleague, looking at the spectrum of opinion among Israelis about a deal with the Palestinians, we came up with five different substantial views. I think you could divide the population similarly, with 75% wanting one or another version of a Palestinian state. But crucially not the same one. One of those versions involves the Palestinian state being more Jordan than it is Gaza. That is a hunk of the West Bank would be attached to Jordan, and Egypt would have to pick up the impossibility of the Gaza strip and helping it function somehow—that kind of thing.

You can get the Israelis to hypothesise any number of solutions to their conflict with the Palestinians. I think it would need even more than a strong leader to galvanise them and deliver any one of those. It is not surprising therefore that they sometimes look to the Arabs to provide the strong leadership, and they look back fondly on when Sadat went to Jerusalem. If only an Arab leader would emerge that would make that kind of gesture. There can be no solution unless there is a cohesive effort with all the principal players involved: the United States, the Europeans backing the Arabs involved to back up rewards for Israel as a result of conceding on statehood, and on and on. If we are to wait for an Israeli leader to solve the problem, we can forget it.

Chairman: Sir John Stanley will ask about the Israeli-Palestinian situation and then we will move on to the region and the British role.

Q64 Sir John Stanley: Can we go for a moment from the theory of the peace process to the reality of the land process, because for 80-plus years it has always been about land and it still is, ultimately, about land? Can you tell us from the information that you have whether the process of settlement expansion, new housing developments, outpost creation, land transfers from Palestinian ownership into Israeli ownership and the squeezing out of Palestinians from East Jerusalem has been halted or whether it continues?

Dr. Hollis: It continues. If you look at the territory on the ground including the barrier, the route it takes, the major highways—some with six lanes—that carve through the land with embankments on either side, the confiscations that have taken place to build and install Israel's security arrangements and then you consider the settlement expansion, which is pretty much the expansion of the main settlement blocks, and the arrangements that are being made in the neighbourhoods of Jerusalem that make nonsense of any kind of city life, it is

understandable why the Palestinians wonder what will be left at the end of the day for them to call a state.

Ms. Bar-Yaacov: There are 102 illegal outposts. Prime Minister Olmert has not dismantled one since he came to power. The Road Map calls for the halt of settlement expansion and the dismantling of illegal outposts. That is (Israel's obligation under) phase one of the Road Map. The Quartet goes on to demand certain conditions of the Palestinians, but I have not seen a demand made recently of the Israelis. I think that it is of utmost importance. You are talking about the policy of Her Majesty's Government. That is a parallel that is often made in the Arab world. Every day, I read op-ed pieces that are published across the Arab world, including Palestine, that say, "Why are demands only made of the Palestinians and not of Israel?" That (Road Map) is the plan on the table at the moment. There are 121 official settlements throughout the West Bank and 102 illegal outposts and construction within those continues, as Rosemary mentioned.

Q65 Mr. Horam: I would like to look at the situation rather differently. How are the foreign policy initiatives of the British Government and Israel perceived by the Middle East?

Dr. Bar-Yaacov: In Israel and Palestine?

Mr. Horam: Yes.

Ms. Bar-Yaacov: There is a mixed view. The troop withdrawal from Iraq is encouraging some of the more optimistic people in Palestine to think that the UK is breaking ranks with the US and that the Bush-Blair Catholic wedding is no longer so holy. That is an encouraging sign because the US is not liked by Palestinians. It is seen by the Palestinians as completely partial to Israel. Therefore, there is an opportunity here.

Q66 Mr. Horam: Has the Bush-Blair theme been very damaging?

Ms. Bar-Yaacov: It has been very damaging in the eyes of the Palestinians and the exact opposite in the eyes of Israelis. That is why I asked if you were talking about Israel and Palestine. In Israel, the press is full of reports of British academics making anti-semitic statements and boycotts and that goes on. There is a lot of that in the Israeli press, more so than one realises here. That is another angle of it. It is not just the politics; it is also attitude towards Israel, so the view is mixed.

Dr. Hollis: Over the past decade, Blair's premiership has made a difference to informed Israelis' perceptions of Britain. They no longer assume that the Foreign Office is automatically on the side of the Arabs. What I would say, however, is that with their political instincts, they can work out just how much influence Blair has, and therefore the British Government have, to make a difference. He was riding on a high for the first few years, including through 9/11, when the Israelis felt that at last people outside would understand their circumstances. However, partly because Iraq has gone so badly, there is a perception that maybe the

Brits are losers and maybe they are not so astute in the way in which they handle the region; maybe they fail to get anything terribly useful out of the relationship with the United States.

On the Arab side, I personally found much more hostility than I ever used to have to endure, just by virtue of being British. Although I know that there is no question but that the Governments in the region will deal with visiting Members of Parliament and official representatives of Her Majesty's Government with absolute protocol and politeness, and will urge the British to understand their point of view and tailor policy to it, in civil society there is a level of contempt for the British now. It used to be possible to live beyond the Balfour declaration, although you were constantly reminded of it. Now there is a sense that the British are back with the new imperialists, carving up the region. There is a perception that the only reason to go into Iraq was for oil and the pursuit of material interests. There is absolutely no buy-in to the notion that British foreign policy is driven by values or the export of values. That is considered nonsense.

In Egypt last year, I was asked by a little group of intellectuals and journalists to explain why Tony Blair had decided to take Britain into war in Iraq. After I had finished a 15 or 20-minute explanation—the best explanation that I could offer of exactly how all this came about—they trashed it completely and said, “Nonsense. It was not for that at all. It was for the oil and power, and Israel.” Repairing Britain's image in the region or establishing any significant influence there will take a while.

The last nail in the coffin was Lebanon last year. Government Ministers, including the Prime Minister, were not seen to be quick enough to lament the civilian loss of life. Never mind that they were correct that you cannot necessarily implement a UN resolution for a ceasefire immediately. To suggest that, because of that, there was nothing they could do was to give away the information that they really hoped that Hezbollah would take a beating.

Q67 Mr. Horam: Do you agree with that assessment from Dr. Hollis?

Ms. Bar-Yaacov: I think that the Government was quite seriously damaged by their position in Lebanon and by not calling for a ceasefire early on. That caused them tremendous damage. I think it varies: I was focusing on the positives earlier—on the withdrawal from Iraq rather than the decision to go to war in 2003, but the Palestinians are very wary. To reiterate what I said earlier, it is more about the closeness of the UK to the US and people's total lack of time and appreciation for US foreign policy.

Mr. Horam: That is a pretty bleak assessment from both of you.

Chairman: Before you ask another question, may I warn our witnesses that we are expecting a vote, or possibly two, at 12 minutes past Four? Could you ask your question quickly, John?

Q68 Mr. Horam: If you were in Margaret Beckett's or Tony Blair's shoes, given what you both just said, what would you be doing?

Dr. Hollis: About what?

Mr. Horam: About Israel and Palestine.

Ms. Bar-Yaacov: First and foremost, they should support the formation of a national unity Government and try to put themselves in the Palestinians' shoes, both those of Hamas and those of Abbas. They tried a certain policy with Abbas and it failed. Why did it fail? Why does Hamas have as much support as it does? They must come to terms with the fact that Hamas is there for the duration. Hamas is not going to go anywhere; it is part of the fabric of Palestinian society. So how do we work with it in order to stabilise Palestine, because a stable and prosperous Palestine is in the strategic interest not only of Israel, but of the whole region and the UK Government. The focus, first and foremost, should be on Gaza. Gaza is the flashpoint at the moment.

In the West Bank, the Israelis are in control. I am not suggesting that that is a good thing. But it is under control to a certain extent. There was the raid into Nablus where Hamas is setting up an executive force (this week). But Gaza really should be the main focus and Gaza is pretty separate at the moment from the West Bank. We are talking about an economic plan, a political plan and a security plan and they should all go in tandem. The security situation is a key to everything so the question is how do you deal with security sector reform. How do you deal with the fact that you have two armed factions?

Hamas's executive force is a force that the Interior Minister set up because it (the Hamas government) was not recognised and it wanted an independent force. It is an armed force of at least 6,000 men. You also have the Ezzedin al-Qassam, the military wing of Hamas, which is well armed and you have Palestinian Islamic Jihad, which is a faction that does not recognise the Mecca agreement and does not want to be part of the national unity Government. It is fully supported by Iran, with a philosophy that the more Israelis it can kill, the merrier. The question therefore is how you support the national unity government to be strong enough to clamp down on Palestinian Islamic Jihad and groups like that.

You need to have a very broad agenda on the Palestinian front and to focus on how to revive the economy. This is an urgent matter. Peter Gooderham spoke about the temporary international mechanism at length. The TIM gives money to employees. It is not an economy. It does not create jobs. It is a sort of SOS mechanism. You need to deal with the whole job creation issue. Then you have to deal with Israel. You have to make certain demands of Israel in order to make Israel a partner for the Palestinians to negotiate with. The starting point is the Road Map and the Arab initiative.

There are a number of plans on the table to work with and, as Rosemary said, they are about reaching out to public opinion. The ideas of two-state solutions are worlds apart. What are the

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borders? You have to really invigorate the peace process with a lot more force: intellectual force and people on the ground. The people want peace. They do not quite know how to get there. The Israelis and the Palestinians are not going to get there alone. There is no way that they will get there alone. They need the UK Government's help and it is urgent.

Dr. Hollis: Nomi has given us a huge long list of all the things that the British Government have got to do, but I do not think that the British Government can do all those things. I would also caution that the British Government have tended to help with security in the past and they may want to stop doing that.

Chairman: Can I ask you to be patient with us? We will go and vote and then we will come straight back. I am not sure whether it is one or two votes; we hope that it is only one. If it is two it will take half an hour; if it is one it will take 15 minutes. The meeting is adjourned until then. We will be back as soon as possible.

Sitting suspended for a Division in the House.

On resuming—

Chairman: I apologise for the delay. We were told that there would be two votes, but then of course there were not. The Opposition obviously know much better than the Government what is going on. Dr. Hollis, you were in the middle of a reply when we adjourned. Please conclude what you were saying, and then I will bring in Dr. Bar-Yaacov too.

Dr. Hollis: Basically, I was saying that, of the long list of things that need to be done and that Britain might do—the list that Nomi gave us—Britain ought to be careful about rushing in to do practical things to help in the way that we have done so far. Tremendous work was done by the British in helping the Palestinians to develop a prospective legal framework that structure the economy and that they could put on the negotiating table when they entered detailed negotiations with the Israelis. Ever since the beginning of Oslo, the Brits have helped with the training of Palestinian security personnel. As of the Gaza disengagement, they again sent a team to help with the training of Palestinian security personnel. It was the Brits who sent people to oversee the detention of Palestinians in Jericho who were wanted by the Israelis, after the siege of Arafat's headquarters.

I was simply saying that the British, given their problematic reputation in the region today, had better be careful, in the ways that they help, that they do not end up appearing to be deputy to the jailer if you like, and facilitating the occupation rather than helping to end it. If that happens, then Brits will be in the firing line.

Ms. Bar-Yaacov: I just want to clarify my answer to the question that John Horam posed to me, which was what were Her Majesty's Government to focus on? The United Kingdom is part of the EU, and the EU is part of the Quartet. It is very important to keep the Quartet as the main vehicle through which initiatives are funnelled. All the issues that I mentioned are very much the Quartet role. The UK should push these initiatives through

the EU and ensure that everything that I said before is dealt with contemporaneously—I can go into details about the economic plans, security plans and peace plans. One of the mistakes that was made in the past within the Quartet was that the US dealt with security and the political process unilaterally, meaning that they acted without consulting or showing any regard for the EU, the United Nations and Russia. It is very important to work on those three heads together: on security; the economy, and the political process, all in tandem. Otherwise, they do not work. It is a very delicate issue—I fully agree with Rosemary on that—but these initiatives are very welcome and very urgent, and they should be pushed through the EU.

Q69 Chairman: Can we move on? We have spent quite a lot of time on Israeli politics. Do you think that the Israeli foreign policy approach, given their fear about Iran, should involve a new initiative to the Syrians? We know that there have been secret talks going on between Israel and Syria for two years—that has just been revealed. Do you think that there is any mileage in an Israeli-Syrian leg of a comprehensive agreement with the Palestinians, or is that just impossible at the moment?

Dr. Hollis: The Israelis must be careful that they do not hang themselves to dry, by getting into something that is part of a comprehensive scheme for engaging all the players in the region. As of yesterday, we know that the Americans are prepared to go to this round table meeting of all the major players about the situation in Iraq. That seems to be a positive development, because in Iraq, just as in Israel-Palestine, you probably will not get a solution unless all the stakeholders have got buy-in. Otherwise, you will leave a spoiler outside. So the reason to try to get Syria in the tent, on Iraq or on Israel-Palestine, or on one in order to get the other, is to stop Syria being spoilers from the outside. However, in order for such an approach to work, ideally not only the Americans, the British and the EU members will all be conscious of where they are trying to take matters and pulling in the same direction, but so will most of the regional players. The trouble for Israel is that the value of an Israeli-Syrian dialogue about their bilateral relationship is not very great unless it is part of a regional initiative or dynamic.

Ms. Bar-Yaacov: Israel has nothing to lose by talking to Syria at the moment. Earlier this week, the Israeli Cabinet had a very long and detailed briefing about Syria, among other subjects, from the Israeli security agencies, at which the military intelligence held a very different view on Syria from that of Mossad, the external security service. Some members of the military intelligence service were of the view that Syria is interested in genuine peace negotiations with Israel, and that Israel should pursue that. The problem is that the Israeli Government is very weak at the moment, and a weak Government cannot afford to take that sort of step, so I do not think that it is going to happen.

Q70 Sir John Stanley: Do you think that there are circumstances in which the Israelis could resume a shooting and bombing war in the Lebanon? If so, what would those circumstances be?

Ms. Bar-Yaacov: It is highly unlikely that Israel will resume a war in Lebanon. The circumstances (which would lead to war) would be if Hezbollah were to launch attacks into the heart of Israel, which we know that it has the military capability to do with weapons such as the Zilzal, Fajr-3 and Fajr-5. At the moment, Hezbollah is concerned about asserting its power internally in Lebanon, and it is highly unlikely that it will launch an attack on Israel. Under no circumstances would Israel launch an unprovoked attack on Lebanon, so I do not think that that is going to happen any time soon.

Q71 Chairman: Can we move on to some of the other regional players. Is the Mecca deal a sign of an ongoing struggle between Saudi Arabia and Iran for influence not just on Israel-Palestinian issues but on wider questions? Is the engagement of the Saudis to which you have referred part of a wider sense that the Sunni world has to assert itself, otherwise the Iranian influences will grow among Saudi's neighbours in the Gulf and elsewhere—

Dr. Hollis: That is very much my view.

Ms. Bar-Yaacov: I think that it is part of it, but I also think that they started playing a role in the Israeli-Palestinian conflict by coming up with a peace proposal, later known as the Arab initiative, in 2002. This role is not new; it is not just in the light of Iran's expanded nuclear power programme. Part of the picture is that they want to minimise the Iranian influence, but they also have a genuine interest in seeing peace and stability in the region.

Dr. Hollis: In the mix, there are concerns about their own internal stability.

Q72 Chairman: But that is also linked to what is going on in Iraq.

Dr. Hollis: Exactly.

Q73 Chairman: How many links are there between the internal Iraq conflict and the wider Middle East peace process? Is it impossible to get solutions to the wider issues while the ferment is going on and the situation is deteriorating in Iraq?

Dr. Hollis: The only way to understand what is going on in the region is to take a 90-year chunk of history, and to look at the break-up of the Ottoman empire and the introduction of a state system. That was the first time that such a system had existed in the region. Prior to that it was millennia of empires and city states. In dividing up the Arab world into separate states and introducing the Jewish homeland, a competitive system was set up. Since then, the leaderships in the different Arab states have had to establish legitimacy and, naturally, given the nature of the system, have done so in a competitive manner with each other. Who is going to stand up to the imperialists and chuck out the British or the French? Who is going to be the better socialist? Who is going to be the better defender of

the Arab cause against Israel or, indeed, against the Persians, which is something that Iraq was pushing for? Who is going to be the better Muslim or defender of Islam and the holy sites, and on and on?

In that mix, there was an assumption that the Sunni would be on top—Sunni or secular, and that is very secular, as in Syria. The disintegration of Iraq has thrown the whole system, the whole mosaic, up in the air. Personally, I think that the struggle between the Israelis and the Palestinians can be understood as unfinished business of the state-building project that began in the 1920s. Now, because of Iraq and the potential for the collapse of Iraq as it has been for the last 90 years—87 years—you have all these issues back up for grabs. What is necessarily the logic of a certain split that more or less follows what the UN said in 1947 should be the split between Jews and Palestinians in Mandate Palestine, and on and on? So all these questions are now up in the air and if all the guys in the region are connecting them, I think perhaps we should.

Q74 Mr. Keetch: I want to follow on from that, Dr. Hollis, because that is a fascinating insight, particularly on Iraq. Specifically on Iraq, earlier you heard the Foreign Office people tell us that there were direct links of Syrian and Iranian influence with insurgents in the south and throughout Iraq, but they were not quite sure whether that was sanctioned by the Tehran Government or not. What is your assessment of that? Do you believe that there is military support, if you like, for the insurgents? Do you believe that they are supported by the Tehran Government or not?

Dr. Hollis: A couple of things—first, I have been to Iran a number of times, including twice last year, and am fascinated by the Iranian-Iraqi connection. You would have to say that the situation in the 1990s—when there was very limited coming and going, except smuggling, on the Iraq-Iran border—was more abnormal than the situation after the collapse of Saddam Hussein's Government. In other words, normality on that border should involve a lot of interchange, with trade and family connections. There is, after all, a minority of Arabs in south western Iran, who are not considered as elite as Persians in the Iranian context. When the Iraqis, especially Sunni Iraqis, want to be rude about fellow Iraqis, and you hear this in Jordan and Saudi as well, they say, "They've got a touch of the Persians about them." They are going back to the Safavid empire, which was a Persian empire encompassing Iraq. So there is this mix, this cross-over of the populations and their religious identities. In that situation, I do not think that you can draw a line, separate the two and say that they have no business in each other's affairs.

Secondly, the Iranian Government are made up of a number of power centres—I would say not unlike the US Government. You do not have the US Government on board if you only have the White House and not Capitol Hill: we know about

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the rivalries between the CIA and the State Department, and so on. Iran has something akin to that. The only major distinction in political science terms is, of course, that a cleric is ultimately in charge.

Imagine the investigation into the Iran-Contra affair to find out exactly who was doing what from inside the White House. I think that that level of investigation with the Iranians will probably be a luxury that we will not have. In the circumstances, it sounded pretty encouraging that the British Government were taking on the issue and discussing it, among other things, directly with the Iranians.

Q75 Chairman: May I throw in the quote from the Prime Minister about the “arc of extremism” in the Middle East? He seems to group together the Sunnis, Shi’as and others. Do you think that that is a helpful concept?

Dr. Hollis: Only for about five seconds. It just does not take you very far. It simplifies the issue far too much.

Ms. Bar-Yaacov: May I add one thing? Governments—not just this one—often make the mistake of lumping everybody in one box. To return to an earlier discussion, that is one of the mistakes made by Israel. Very few people distinguish between Hamas, Palestinian Islamic Jihad, the al-Aqsa forces and numerous other groups. The lack of distinction is extremely unhelpful. It is important to scrutinise separately every group that commits violent acts.

Chairman: We now move on to questions about Egypt.

Q76 Mr. Purchase: The west, broadly speaking, has regarded Egypt as a key font of information, and even wisdom, on Middle East affairs for many years. Unsurprisingly, when the west looks clearly at Egypt, it sees that it is not an entirely democratic state. It has encouraged, and at times worked quite hard, to bring about a more democratic, open and transparent society—to make it more like ours, so we think. It has not been tremendously successful by any measure and the continuing difficulties with the Muslim Brotherhood, which was started in the 1920s, have not made things any easier. Do you think that, by and large, the west’s quest for an open and more democratic Egypt has borne any fruit at all? Or should we just leave the Egyptians to get on with it?

Dr. Hollis: I think it is worth noting that the European Union, through its neighbourhood policy, and before that, the Barcelona declaration, on which it is built, has had a complex and multifaceted reform initiative under way. The Americans launched their broader Middle East initiative as well. The Department for International Development moved from concentrating on Africa and poverty alleviation to work on the Middle East and has some theories about how corruption can interfere with development. The Foreign Office has been more straightforward with its democracy initiative. I understand that, with the arrival of new

Labour, the Foreign Office stopped talking about good governance and started talking about democracy. It was more up front about that.

With all those initiatives, there is the problem that the westerners, as you have called us all, have not quite made up their minds about how crucial democracy is to economic development, or whether Government initiatives can really make a difference at a grass-roots level. Almost by definition, it is inappropriate to the good that you are selling. If you are selling democracy, you do not go and do it to people. In those circumstances, the Egyptian Government have put up a very sophisticated resistance to all efforts to “democratise” them. The lack of real conviction that it would serve their needs and serve the needs of stability in the region is one reason why not much progress has been made.

Q77 Mr. Purchase: What would you say to those who would encourage totally open elections? If the Muslim Brotherhood stood in its own name, with its own party and its own views, and got into government in Egypt, which would not be impossible, what would you say as an adviser to western Governments about our relations with Egypt?

Dr. Hollis: You are suggesting a repeat of what happened in Algeria when the French, on behalf of the west, decided: “Enough”. They did not like the idea of Islamists in power. I think that there is much to be said for exposure to power as a more effective way of changing radicals than excluding them from power, which increases radicalisation.

The recipe for Egypt is probably more of some of what you have had so far. The Muslim Brotherhood did very well in all the seats that it went for when it ran in the last parliamentary elections. It contrasts very well with the Government in terms of corruption: the Government were found to be guilty of brutality and paying bribes to get people to vote in the elections. Because of the corruption, there is enormous cynicism among the Egyptian population that any of this means anything. There is a huge perception that the Government are corrupt, but that does not mean that the state is discredited, or that there is a love affair with Islamism. A version of democracy or reform that brings such opposition into the system but does not overthrow the system overnight and introduce an Islamist Government, which I do not think will happen anyway, would be a more interesting test of the questions that you are asking than one extreme or the other.

Q78 Mr. Purchase: At another level, the Egyptian Government clearly believe that the Muslim Brotherhood is a real threat to national security and that its influence spreads far and wide. If you were seeking a fifth or sixth term as president in the belief that the Brotherhood was a growing threat, not only to your power but to national security,

how would you deal with that? Do you believe that the Brotherhood is a threat to Egyptian national security?

Dr. Hollis: The Egyptians sometimes describe their state as a pharaonic state: it is all pervasive. Egyptians therefore have great difficulty in getting their heads around the idea of progressive reform. There is a sense that everything is forbidden except what is permitted and that you are therefore most likely to be breaking some law just by leading an ordinary life. The authorities will turn a blind eye, however, in the realisation that if they need to arrest you for something on you, they probably can. You know that, and they know that you know that, so there is a kind of psychological game going on.

Egyptians have enormous difficulty describing to the likes of me how you would effect change. On freedom of the press, for example, you might say, "Reverse the system. Let's permit everything except what is forbidden when it comes to the press." That is a very exciting idea. However, the Government would interpret that as removing the finger from the dyke, because you have will have demonstrated that in one area at least you could operate in that way and the whole system would not come down. For fear of experimentation that could demonstrate that the state does not need to be as all-pervasive, they are not having any experimentation. Up against that, I simply do not know what to advise; I do not think that you can make much change from the outside.

Q79 Mr. Purchase: Given that analysis, the rise of the Muslim Brotherhood is not that surprising, and I broadly agree with you. What is the impact across the Islamic movement of the growing strength of the Brotherhood, with Hamas and others? Do you see them as an inspiration, as giving support or assistance to the growing Islamic movement? Are they a major influence?

Dr. Hollis: The Egyptian Islamic heritage has been an inspiration across the region, and it is considered that scholars in Egypt and the scholarly tradition there of Islamic teaching are looked to for authority and have been for hundreds of years, and the last 100 years in particular.

I suppose I have just introduced a parallel for myself with Nasser. He was an inspiration in the region for Arab nationalism. Whether that meant that you were going to conduct your nationalist campaign on your own behalf or on behalf of Egypt—I suspect it would be on your own behalf. It is an inspiration to Islamist movements in the absence of any other mechanisms for opposition, but if you think that you can introduce a secular opposition in any of the countries of the region it is too late. So you either accept a version of Islam in your opposition movements or you do not have more democracy.

Q80 Mr. Purchase: I have two small questions. You may have heard that, in our earlier sitting, I made reference to some interdependency and mutual agreement, or mutual interests, between

Hamas and Egypt, particularly in Gaza. Does Egypt continue to have leverage with Hamas? How much leverage does it have? Will you intertwine that with the influence with the Brotherhood?

Dr. Hollis: Nomi may want to come in on this. It was very apparent during Arafat's period in Gaza, when he was commuting between Gaza and Ramallah, that he was much more trusting, much more reliant on the Egypt connection, whereas the West Bank continued to have some Jordanian connections. Jordan was the breathing space, and so on. The fact that the heart of the struggle between Hamas and Fatah is Gaza has increased the level of Egyptian influence, because that connection predates the current crisis.

I am not sure whether the two Foreign Office officials were really saying this earlier. They said that Egypt was vital to getting the process off the ground, and I would agree with that. They said that Egypt's influence was useful, and I would have difficulty quarrelling with that, but it is slightly less than it was.

Ms. Bar-Yaacov: Omar Suliman, the Egyptian security chief, has done and is continuing to do an incredible job in Gaza. The involvement is vast. Saudi Arabia has a political role to play in the zone of influence, but it is far away. Egypt borders with Gaza—and only Egypt borders with Gaza, because the border with Israel is not always open. Let us not forget that Egypt occupied Gaza between 1948 and 1967 and it knows every inch of it. If there is a spillover of the violence from Gaza, it will spill over into Egypt. It could also spill over into Israel, but it would definitely spill over into Egypt. Egypt's interest in containing and dealing with Hamas is such that the relationship with the Islamic brotherhood will not spill over and fuel further extremism at its end.

Egypt is extremely involved and has an extremely positive and ongoing role to play. It is currently training Fatah forces. It has an ongoing security role, as well as a political process role to play all the time. That was diminished only in the grandiose political sense that the Mecca agreement was not reached in Cairo or Sharm El-Sheikh, but Mecca. Okay, it is more to do with pride than practicality, but I would not underestimate the tremendous role that it has to play. There is a lack of satisfaction about its monitoring of the tunnels, which no one has mentioned. All the ammunition into Gaza is coming through tunnels in Egypt that are being dug all the time. It is important to monitor that issue, and more can be done on that front.

Chairman: Final question.

Q81 Mr. Purchase: Egypt's main goals in the region and the peace process are changing all the time. What do you think its main goals are now? Have they changed?

Ms. Bar-Yaacov: I do not think that they have changed. My view is that Egypt is very interested in Israeli-Palestinian peace first and foremost because it has a border with Gaza. It has a peace treaty with Israel and it would like to see an Israel-Palestinian peace accord. I do not think that its role

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has necessarily diminished. It has continued. It is part of the so-called Arab quartet, but within that quartet it is certainly taking the leading day-to-day role in negotiations between the different Palestinian factions.

Q82 Chairman: Finally, would you say the same for the Jordanian position? Has Jordan's position changed given that it has a peace treaty with Israel, too?

Dr. Hollis: It was never the same as the Egyptian treaty.

Q83 Chairman: I know that, but we heard King Abdullah here in November giving a very bleak, pessimistic assessment of what was happening in the region. I should be interested to know whether you feel that Jordan and Egypt are broadly on the same lines?

Dr. Hollis: No, I do not think so at all. There is also a prestige and status issue for the Egyptians. In terms of the struggle to establish legitimacy in an Arab state system, Egypt was always the senior figure, but it has dropped back. In so far as the Saudis are really making the running with the new peace process, that will give the Egyptians mixed feelings.

The Jordanians, especially since King Abdullah succeeded King Hussein, have been pretty modest about their role in the region. At the time of King Hussein, Arab leaders saw him as having ideas above his station because he had such an impoverished little country, which somebody else had designed for him and implanted him in. Contempt and competition among leaders can be terrifying when you pick up on the vibes. I think that Jordan is playing a relatively modest role, but now we sense that Jordan is in the position of being so much in the American orbit, and so useful to the American regional position, including intelligence, that the Government and therefore the king have a tremendous struggle to reconcile that with the feelings of ordinary Jordanians. The east bankers are Arab nationalists to the core, and it is a question only of whether they are more of the Iraqi branch of Arab nationalism, the Syrian branch or the south Arabian branch. They are pro-Palestinian in an Arab nationalist sense but suspicious of Jordanians of Palestinian origin.

They can all agree to be anti-American, and there was quite a lot of support among Jordanians for al-Qaeda-type terrorism in Iraq as a result of the invasion, which they saw very much as an invasion, until al-Qaeda sadly struck inside Jordan and killed Jordanians and Palestinians at a wedding party in the process. Since then, there has been a revisiting of what the extremist forces are, but it should be no surprise that King Abdullah said long before it became fashionable, "Beware the Shi'a crescent." His fear is that the unravelling of Iraq will unravel Jordan and that it will be caught up in this regional meltdown.

If the American endeavour in Iraq, with or without the Brits, fails, and there is a Shi'a-dominated, Iranian-influenced, largely religious Government in Iraq for the next five years or so, and in the process ethnic cleansing continues in Iraq and the Americans are anxious to get out fearing that they cannot do much more to hold the situation, Jordanians will feel that they have to help the Sunni Arabs of Iraq, as will the Saudis. The Syrians will be confused as to whom they should be helping, but they will probably feel the same as the Jordanians and the Saudis. Jordanians can foresee themselves having to get much more involved in the future of Iraq in support of characters who could, in fact, ultimately turn on them.

In the past 24 hours the Jordanians have shut the border to Iraqi refugees—they already have 1 million of them. They change the identity of a country that has only 4.5 million or 5 million people in the first place. The Jordanians are trying to retain control of their destiny, which is slightly more alarming for them than Egypt's position, which is to try to retain its status.

Ms. Bar-Yaacov: Just briefly, Jordan is caught up in so many problems of its own that the role that it can play is not as great as it would have liked, but the role is always positive.

Chairman: I would like to thank you both for your evidence this afternoon. It has been extremely valuable. We have touched on a lot of complex areas and, as I said in the earlier session, we will be visiting the region and members of the Committee will be in most of countries that have featured in our questioning in the next few weeks. This has been extremely useful. Thank you very much.

Dr. Hollis: Have a lovely time.

Mr. Purchase: You said it as though you meant it.

Chairman: Thank you.

Letter to the Clerk, from the Parliamentary Relations and Devolution Team

During Peter Gooderham's appearance before the Committee on 28 February, you asked him about aid given to the Palestinians by Arab and Muslim States. Unfortunately, we do not have a definitive figure for this aid, as these States often do not publish accounts detailing bilateral funding. Arab and Muslim States also provide indirect funding for the Occupied Palestinian Territories (OPTs). For example, many Arab and Muslim States provide large donations to the Islamic Red Crescent, which in turn carries out projects in the OPTs. To add to the lack of clarity, the Palestinian Authority did not publish a budget in 2006. However, some information is available.

Since Peter Gooderham gave evidence to the FAC, we have received data from the Hamas-led Ministry of Finance on its sources of funding during 2006. The MoF reports that they received: \$51.9 million from Saudi Arabia; \$20 million from the UAE; \$14.3 from Qatar; \$6.6 million from Oman; \$34.9 million from Algeria; and \$28.9 million from Kuwait. They also received a further \$215 million from the Arab League.

This is not the full amount given during 2006. For example, at the 3rd International Conference on Jerusalem and Support for the Rights of the Palestinian People, which took place in Tehran on 15/ 16 April, Iran pledged \$50 million to the “Palestinian people”. This was not mentioned in the official Ministry of Finance figures. There have also been reports of various other flows of funds. I hope you find this information helpful.

Parliamentary Relations and Devolution Team

9 March 2007

Wednesday 7 March 2007

Members present:

Mike Gapes (Chairman)

Mr. Fabian Hamilton
Mr. John Horam
Mr. Eric Illsley
Mr. Paul Keetch
Andrew Mackinlay
Mr. Malcolm Moss

Sandra Osborne
Mr. Greg Pope
Mr. Ken Purchase
Sir John Stanley
Ms Gisela Stuart
Richard Younger-Ross

Witnesses: **Nadim Shehadi**, Associate Fellow, Chatham House, and **Patrick Seale**, Author, Consultant and Syndicated Columnist, gave evidence.

Q84 Chairman: Good afternoon, gentlemen. We are very pleased to have you both here. As you know, we are conducting an inquiry into the Middle East and Middle Eastern aspects of global security, and in a few weeks members of the Committee will go to Syria and Lebanon. As such, we thought it would be valuable to get experts in beforehand to give us their take on the current situation. I shall begin by asking you what you see as the domestic priorities of the Assad regime in Syria. Perhaps when you begin, you will introduce yourselves.

Patrick Seale: I am Patrick Seale. I have written a couple of books about Syria and have been going there fairly regularly over the last 40 years. If you are asking about the regime's immediate goals, I would say that, first, you have to understand that the Syrians have had two tough years, from 2003 to 2005. In those years, if the United States had not got stuck in the mire of Iraq, they would certainly have been next, and so they were very concerned. Secondly, when they were forced out of Lebanon by the international outcry after the assassination of Rafik Hariri, the former Prime Minister, many of their enemies thought that that experience would also shake the regime and perhaps bring it down. So the Syrians had two very difficult years.

Last year was somewhat better. The Syrians were beginning to breathe more easily. They are looking more confident now, but nevertheless there is a good deal of anxiety under the surface. What if the US attacks Iran? Would Israel seize on that as a pretext to hit Hezbollah again in a second round in Lebanon? Would Syria be drawn in? That is one concern.

The second concern has to do with the investigations that the Belgian judge, Serge Brammertz, is conducting, as you all know, into the assassination of Rafik Hariri. His mandate has just been extended for a further year. The Syrians are worried about that. They are worried that it might increase their international isolation. They have been trying to prevent the ratification of the agreement on the international tribunal that was due to be set up to try the suspects. That is the background. If you are asking what the Syrians' immediate priorities are, of course one priority, which is common to most regimes, is survival. The regime wants to make sure that it survives and is not overthrown.

It is worth saying that if you look around the region, you see so many countries have been shattered, either by internal upheavals or by external aggression. There is Iraq, of course, but you can also look at countries such as Algeria, Sudan and Kuwait; and Lebanon had its civil war for 15 years. What the Assad regimes—father and son—have managed to do to some extent is protect their country, giving the Syrians a certain immunity from all the things around them, from the spin-off from the Arab-Israeli dispute and from the violence in Lebanon and Iraq. Obviously, one of the Syrians' priorities is to continue protecting their country. That is a second priority, you might say.

Of course, there are other priorities. The Syrians would like to end their present isolation and renew dialogue with the Europeans. In 2004, the Syrians initialled an association agreement with the European Union, but that has not been ratified and they would like it to be ratified. They feel that they have been unjustly labelled. You see they are part of what is called the Tehran-Damascus-South Lebanon axis. It is Iran, Syria, Hezbollah. The Syrians see that axis as the main challenge, the main obstacle, to Israeli and American hegemony over the region, so they feel that their stance is perfectly legitimate. They feel that they are being unfairly targeted and that the west is using double standards against them, even over the question of the Hariri assassination. They may well have killed Hariri—we are not sure about all the others—but they look next door to Israel and see that its official policy is the extra-judicial killings of its political opponents. The United States has killed tens of thousands of people in Iraq, so they feel unjustly targeted. The Teheran-Damascus-South Lebanon axis is very important to them. Those are their strategic partners, and they have been close to Iran since the emergence of the Islamic republic in 1979. Even before that, because the opponents of the Shah were in Damascus, their links with Hezbollah were very close—Hezbollah is their proxy force in the Lebanon.

I have to make one important point: the United States, and to some extent France and the west generally, have been trying to exclude Syria from Lebanese affairs and have forced its troops out. For the Syrians, it is of vital national interest to retain influence in Lebanon and not to allow a hostile power to establish itself there in any dominant way.

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If you know the geography of that part of the world—and you are going there shortly—you will know that Damascus is in southern Syria about 20 km from the Lebanese border.

Q85 Chairman: Can I just stop you there? We will come on to those areas in a minute. I should like to bring Mr. Shehadi in, and I apologise for the sun. I notice that you have moved to avoid it. The Prime Minister had the same problem in one of these rooms a few weeks ago, so you are in good company. Please go ahead.

Nadim Shehadi: Thank you. I agree with most of what Patrick said. I will add that the priority is to show a modernising and reformist face to you, so when you go there you will meet people who talk about reform—mainly economic reform—and how they want to make peace with Israel. In a sense, the Assad regime is offering the world a deal in which it will completely transform the regime, reform the economy and help with Iraq and Palestine—where it has a strong card to play, with Khaled Mishaal being in Damascus—in return for concessions on the tribunal and, as Patrick said, return of its influence in Lebanon, which it considers to be a vital security matter for the regime. I would say that it sees regime security as much more important than Syrian security.

I was in Damascus for three days last week, and the people I would normally have met are in jail for crossing some red lines. There are four red lines that you cannot cross in Damascus. The major one is Lebanon—Michel Kilo is in prison for having produced a manifesto for improving Lebanese-Syrian relations. Another is that you can talk about economic reform but you cannot talk about the role of the regime—that is, the President and his family, especially his cousin and others who have a big hand in it—in the economy. Another person is in jail for having set up a human rights organisation, which was going to be funded by the European Community. Its office was open, but two weeks later it was closed and he is in jail. Of course, any membership of the Muslim Brotherhood is now punishable by capital punishment in Syria.

It is a paradox, because there is genuinely a lot of prosperity and a feeling of security and almost of glee in Syria at having won—by surviving the last two years, which were indeed very difficult—and won at the expense of the rest of the region being a mess. At the same time, they are clamping down very heavily on any political reform or civil liberties and stuff like that. There is a return to clamping down on any internal opponents.

Q86 Mr. Horam: You mentioned the Hariri investigation and—I think, Mr. Seale—the anxiety that there is over that. How do you see that going? Would it really be possible for the UN to demand that the regime hand over Assad's brother and brother-in-law? Will they fight that to the death? Is that really not possible?

Patrick Seale: I think that one has to be prudent in jumping to conclusions. The evidence has still not been produced. If you recall, there was a previous

investigator, called Mehlis, a German. He produced a couple of witnesses who were subsequently discredited. Brammertz has taken over and submitted an interim report, which did not take matters very much further, but has now been given a further year, as I mentioned earlier. So we do not know.

There are rumours flying around. What many people are saying is that the killing may not have been a purely political killing. It may also have been a mafia-style killing. Hariri was no saint. There was a lot of money swilling around the country at the time; there was money from Iraq being laundered through Lebanese banks. The killing may have been over a dispute about how the cake should be cut up—partly. Of course, he is well known to have had a quarrel with President Bashar and had probably been threatened. Now the question is, if Syria did in fact kill Hariri, did it also kill all the other people afterwards, or were some of those killings, at least, done by its enemies, in order to push things further into the mire, as it were? One has to be prudent and wait until the evidence is produced. The Syrians are saying, "Let's wait for Brammertz's conclusions before we set up the tribunal." They think otherwise, if the tribunal is set up first, it will be a set-up—the argument is that will be a political trial, as it were.

You asked if Assad would be able to send his brother or brother-in-law to trial, if they were indicted. The truth of the matter is that his father was, in a sense, the founder of the modern state, which he ruled for 30 years. He died in 2000, when this young man took over—an eye doctor aged 34 at the time. The father had total control over everything and everybody, was total master of the situation, saw very few people, hardly travelled inside the country, let alone outside the country, and believed—I believe—in Machiavelli's maxim that to rule men you must turn your back on them. The father ruled by telephone in the middle of the night to his closest colleagues. The father was feared rather than loved, whereas the son has tried to be loved. The son sees a lot of people, takes a lot of—often contradictory—advice and has not managed so far to establish his total authority, so the regime is autocratic, and I absolutely agree with Mr. Shehadi's remark that we should not expect any political reforms. But the regime is a set of interlocking relationships, between the presidency, the Alawi community, the security services and business men close to the regime—some crony capitalists, as our friend has mentioned. There are several centres of power in the country.

Q87 Mr. Horam: How serious is the Hariri investigation? Does it threaten the regime?

Patrick Seale: Of course it threatens the regime, in a sense, if incontrovertible evidence was produced that the order to kill Hariri came from the top. Even if some underling was involved, one would ask that underling who gave him the orders, and so forth. Certainly, it would at least increase the international isolation that Syria is now suffering.

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Nadim Shehadi: Yes, the investigation is a matter absolutely of regime security: I would say that it is the only thing threatening the Syrian regime's security at the moment. It is not a matter of being able to call the President or his cousin to a court, but of the suspicion that it would arouse within the regime apparatus about who would be sent in as a scapegoat—Libyan-style. There is a fear that that could cause a lot of internal suspicion among the regime's people.

In a way, the Syrian regime is not unique—we had the same regime in Lebanon. Syria replicated its regime in Lebanon with the control of the security services, the corruption, and, as Patrick said, its financial dealings—it had a finger in every pie in Lebanon as well. That caused a lot of the draining of the economy during Syria's control of the country. One side of the regime—it was almost uniform—collapsed with the exit of Syrian troops from Lebanon, and the other half is definitely threatened because of the example that has been set to the population and opposition.

We have to wait, of course, for the investigation, but the regime's and its allies' opposition to the investigation and tribunal is almost like a confession of guilt. The previous investigator, Mehlis, was accused of all sorts of things such as of having a Jewish mother who fought on the border in Israel against the Syrians and who died in the '73 war, which is why they say that Mehlis has a grudge against Syria—his mother is, of course, a Protestant living in Berlin. Part of the defence of the regime, therefore, involved an attempt to discredit the investigation and the investigator, and the whole UN process, in a sense, by accusing it of being an instrument of American policy against the Syrian regime.

Q88 Sir John Stanley: May I come to the tortuous internal Lebanese political scene? Will you give us your advice on whether you think that the British Government and the EU should be trying to encourage Hezbollah and its coalition partners to rejoin the Lebanese Government? Or do you think that stability in Lebanon would be safeguarded better with Hezbollah outside the tent?

Nadim Shehadi: I would say that Hezbollah is definitely a legitimate political party in Lebanon. It had legitimacy as a resistance against Israeli occupation. The situation changed after the Israeli withdrawal, so from a resistance to occupation, it became a resistance looking for an occupation to resist. That is where the Shebaa farms come in.

There is a debate in Lebanon involving Hezbollah in order to convince it to join the political process and to lay down its arms and military agenda, which is seen as more in the interests of Syria and Iran. I am afraid that we lost that argument with Hezbollah in the summer. Part of Hezbollah's argument for the legitimacy of its armed resistance is that Israel is a threat—this summer proved it—and that the west and the UN are not a credible protection. It says that international legality will not protect it and so it needs arms and to build a resistance. That was proven last summer by the position that the US and

the UK took on the Israeli attack on Lebanon. Hezbollah is now much stronger politically and it is more difficult than it was to take away its arms by political means.

The real battle is in south Lebanon, the United Nations Interim Force in Lebanon and the international community should restore confidence in the international community as an instrument of peace rather than an instrument of the United States. That message is not only for Lebanon; it is for the whole region. The credibility of the international community in the Arab world was severely dented in the summer, and it needs to be restored with peace in Lebanon. That would cause Hezbollah to begin to lose the political upper hand that it has through holding its arms. It is very much like the situation in Ireland with the IRA.

Q89 Sir John Stanley: Would you address my question precisely, Mr. Seale? Do you think that our policy should be to try to encourage the Hezbollah coalition to go back into the Government, or should we encourage it to stay out?

Patrick Seale: You cannot really keep it out in the long term. It is worth recalling that Hezbollah represents the Shi'ite community of the south of the country and the Bekaa valley, which constitutes about 35% of the population.

As my colleague said, we must not forget that Israel invaded Lebanon five times, in '78, '82, '93, '96 and 2006. After the invasion in '82, which killed about 17,000 people, the then United States Secretary of State, George Schultz, attempted to broker an agreement between Lebanon and Israel—a separate peace—that would have put Lebanon into Israel's orbit. Syria managed to subvert that, but the Israelis stayed on in Lebanon for 22 years, from '78 to 2000.

It was only after the '82 invasion that Hezbollah was created; it had emerged by about '85. Through guerrilla harassment, it managed to drive out the Israelis in 2000. The population of the south suffered constant assaults. I have only mentioned the main ones, but there were almost daily assaults of one form or another. The people needed protection but the international community did not give it to them, so Hezbollah was both a military force and a welfare organisation that provided education, schools and so on.

The fundamental weakness of the Lebanese situation, and the problem that underlies the whole debate, is that the present institutional arrangement in Lebanon is a power-sharing agreement between Sunnis and Maronites. If you are a Shi'a, the highest position in Parliament that you can achieve is Speaker of the House. You cannot become President or Prime Minister. Those institutional arrangements clearly need revision to give the Shi'a a bigger stake in decision making. How exactly the governmental arrangements should be made is the issue underlying the debate.

Nadim Shehadi: Shi'as are about half the Muslim population in Lebanon, but they are not uniform. No single party represents all the Shi'as, all the Sunnis or all the Christians, but through the

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electoral system, Hezbollah and Amal have won the elections since 2000. There is great diversity among the population; electoral reform would result in more diversity in the system.

The Lebanese system is based on power sharing, as Patrick said. The power-sharing agreement has proved to be, in a way, the only system in the region that prevents a takeover of the whole system by a single group. Every single politician in an important position, such as the President, Prime Minister or Speaker of Parliament, has a veto power that can paralyse the whole system. Right now, the Speaker is refusing to call for a session of Parliament. He is refusing to call for even an ordinary session; he refused before to call for an extraordinary session to approve the tribunal. He is doing so in order to avoid being put in a corner where there will be a vote on the tribunal. So the power-sharing arrangement gives power to all the important positions, and it is impossible for any group or party to take over completely. The system just locks into paralysis until another consensus is reached.

Q90 Mr. Keetch: I would like to stay on Hezbollah, gentlemen. You said earlier, Mr. Seale, that there is an axis between Hezbollah, Syria and Iran. I want to try to understand just how dependent Hezbollah is on Syria and on Tehran, too. Could it exist without their support? If their support was cut, would it fall apart, either as a military organisation—a resistance movement—or as a political party? Just how dependent is it?

Patrick Seale: The first thing to say is that Hezbollah is not a creation of Syria and Iran. It is a genuine Lebanese movement, representing the southern community, which has suffered most from Israeli aggression over the years. Without doubt, the Iranians had a hand in the formation of Hezbollah in the early '80s, and no doubt they also supplied a good deal of its funding and indeed arms. A lot of the arms were coming from Iran through Damascus airport to Hezbollah. There is a certain dependency there, but not a total one, and the more successful that Hezbollah has been in standing up to Israel, the more autonomous it has become.

The second point that one should mention is that Hezbollah serves different purposes for Syria and for Iran. Iran sees Hezbollah as a sort of forward defence, a forward deterrence; if Israel attacks Iran, then Hezbollah will attack Israel. Iran sees it that way. The Syrians see Hezbollah slightly differently. They see it in terms of ensuring that a hostile Government do not emerge in the Lebanon, which is their real fear, because as I said a moment ago, with Damascus being so close to the border, any hostile power achieving a dominant position in the Lebanon would be like a gun at the head of the Syrians.

So there is a complex relationship between these three parties. To an extent, they are mutually dependent. It is a very interesting relationship and, of course, they are seen now as the target of the United States and Israel.

Nadim Shehadi: I would like to add that what Patrick said about Syria applies to any country; no country would like to have a hostile Government next to it who are used against it. That does not apply just to Syria or just to the Lebanese border; it applies to all Syria's neighbours. The way forward is to have an arrangement between Syria and Lebanon whereby Syria recognises Lebanon, establishes diplomatic relations, recognises the border and stops arming Hezbollah as an instrument of Syria in order to block the Government, which it is doing now. Also, of course, if it is carrying out the assassinations, it must be rendered accountable for them, because it cannot be a coincidence that all the people who were assassinated in Lebanon in the last six years were anti-Syrian elements—nobody is doing Syria that favour, in order to accuse it or put it on the spot.

Relations between Lebanon and Syria in the long run have to be adjusted, but it is only when the region feels that there is such a thing as international legality and that neighbours can live in peace with normal relations, without one trying to take over the other for security reasons, or any other reasons. It is the same excuse, I would assume, that triggered the invasion of Poland or anything similar. It is a very easy excuse to make.

Hezbollah is exactly what Patrick said it was, but there is a bit more to its relation with Iran. That is because Lebanon, in the '60s and '70s, was the only place where political expression could be heard in the whole region, including Iran. The radical elements of the Shi'a population in Iran, Iraq and other places could find expression only in Lebanon, where they also interacted with other opposition and radical groups such as the PLO, the Syrian opposition, the Egyptian opposition, the Muslim Brotherhood and all that.

In a way, the Iranian revolution was born within Lebanon as much as Lebanon was influenced by it. We exported the revolution there and then it came back to us. If you consider that Hezbollah is that element of radicals within Lebanon that is linked to Iran in that way and that they do not represent the whole the Shi'a population but have the upper hand because of the vindication of their programme, then you see that peace in the region—international legality and confidence in the international community being re-established—will also give them a smaller share of power and will bring stability to Lebanon, especially if they stop being so dependent on Syrian arms deliveries and Iranian money.

Q91 Mr. Keetch: Can I ask you specifically about the events following the war in the summer? I suppose that if I were a Hezbollah commander I would think that I had had a pretty good war. The general view was that the Israelis would swot them like flies, and that did not happen. First, what has the effect of that conflict been on the Lebanese army? It sometimes seems that that is a force that we hardly ever hear about. It seems to be there, so what is it doing? Is its role growing or diminishing in stature? Secondly, and specifically about Hezbollah, we have

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had reports about a new defensive line being built north of where UNIFIL is. Are they being disarmed? Are they still capable? Are they still preparing another assault on Israel? What is their military strength?

Patrick Seale: They are not being disarmed and they do not intend to be disarmed. They are the only deterrent force in the region, literally. They are the only Arab force that has stood up to Israel since 1948, so they are not about to throw all that away. If I may just add one word on the link with Iran, the Shi'a population of south Lebanon have had links with Iran since the 16th century. When Iran became Shi'a in the 16th century they brought people from south Lebanon to teach them how to do it. It is a very old relationship. It is not something that is new.

Secondly, the Syrian-Lebanese relationship is a special relationship. It is not like any other relationship in the region. These two countries were carved out of the same flesh. When the French created greater Lebanon in 1920, they added to Mount Lebanon great swathes of Syrian territory. Of course, throughout the period between the wars, those bits of Syrian territory wanted to go back to Syria, so the relationship was very close.

The other point is a rather controversial one. Lebanese sovereignty and independence have always been rather partial. Right from the beginning it has always had a sort of Big Brother. It was France in the early years between the wars and from its creation, right up to the post-war period. Then it was Abdel Nasser in Egypt, or Israel in the early '80s, or Syria in recent decades. It was Syria that managed, in a way, to push everybody else away and say, "This is my sphere of influence." That remains the case today.

Those people who say that Lebanon must move into some sort of utopia, by itself, as a sort of internationally protected Switzerland, are talking about pure utopia. Some of you may know the name of Khaddam, a former vice-president of Syria. He once said that Lebanon has only two neighbours, Israel and Syria, and it must choose. That remains the situation today.

Q92 Chairman: If that is Hezbollah's position, how on earth can UN Security Council resolution 1701 be implemented?

Patrick Seale: Well, it has not been implemented. For example, daily Israeli overflights continue. The ultimate resolution would be, of course, a regional peace settlement. In that case, we could imagine a situation in which the Hezbollah armed forces would be integrated into the Lebanese army, and Shi'a commanders would be in senior positions in that army, which they are not at the moment. You can imagine such a thing happening if there was peace. A lot of these problems would disappear if there was peace.

Q93 Mr. Moss: May I come back to something that you both said a little earlier? I am a bit confused about the percentage of Shi'a in the Lebanese

population. A figure of 35% was mentioned, but later, I think that Mr. Shehadi said 50% of the Muslim population.

Patrick Seale: Nobody knows exactly.

Q94 Mr. Moss: It is not a vital statistic. I just think that we ought to have some idea of the proportion of Shi'a to Sunni, for example. Half of my question, which I shall come on to now, is whether there is a dimension of a Sunni-Shi'a conflict both locally in Lebanon and of course internationally. How big is that ingredient?

Nadim Shehadi: There has been no census in Lebanon since 1932 that has taken account of the sectarian balance or numbers because, regardless of numbers, under the power-sharing arrangement in Lebanon, there is a principle that the country is multi-confessional and that all religious groups are represented in Parliament, according to some agreement reached and renewed in Taif in 1989. It is a continuously evolving situation. The principle is that you keep sectarianism out of the equation—you leave it at the door when you enter Parliament and become a representative of the whole country—because the sectarian share will no longer be an issue when you are inside.

As for the real numbers, the only indication that we have comes from the electoral register, which in Lebanon is not voluntary, but comprehensive. It is not accurate because it is not adjusted as quickly as one would want for deaths, births and especially emigration. Furthermore, it is only for those over the age of 18. Surprisingly, according to the numbers on the register, there are slightly more Sunnis than Shi'as—about 28 to 29%. However, that is only according to the electoral register. Depending on the age spread, the Shi'a might be a little bit more or less. That depends on immigration as well, of course. Various numbers are being thrown around that would amount to the Lebanese population being 150% of the numbers. However, in reality, according to the political agreement in Lebanon—the Taif agreement, which is our constitution—the numbers are not relevant to the power-sharing agreement.

Q95 Mr. Moss: To come back to the question that I asked, is this a reflection of a Sunni-Shi'a conflict, both locally and internationally?

Nadim Shehadi: There is certainly a reflection in Lebanon of the broader Sunni-Shi'a conflict in the region. After all, Lebanon is the place where the Shi'ite revival really emerged. When the radical Shi'as were being kicked out of Iran and Iraq by the Ba'ath regime, Lebanon was their only refuge. We have learned to live with that, however, because Lebanon is a place that is used to having several contradictory ideas and different political agendas, and where the only reason why they can coexist is that the system guarantees that none of them will take over completely. We are very concerned about the increasing radicalism in the whole region, and especially the reflection it has on the Sunni-Shi'a divide amongst radicals.

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Patrick Seale: I should like to address that point, if I may. As my colleague mentioned, there is an Islamic revival throughout the region, as we all know. Part of that Islamic revival is a Shi'a revival, which, of course, was greatly boosted by events in Iraq. Not only is Iran a major Shi'a power, but the Shi'a are now in power in Iraq and they are hammering at the door in the Lebanon, as they are in some of the Gulf states like Bahrain, which has a Shi'a majority but Sunni rule. There is also a large Shi'a minority in the eastern province of Saudi Arabia, the oil-rich province. Right across the region, the Shi'a are demanding a greater say.

Unfortunately, particularly in Iraq, that has led to something like a civil war between Sunnis and Shi'as, ethnic cleansing and horrendous killings. But it is worth noting that, of the two most powerful non-state actors in this region, Hezbollah and Hamas, one is Shi'a Hezbollah and the other is Sunni Hamas. These two are working quite closely together and this is very important. It means that they are jointly challenging the sort of western global order which says that these are terrorists, that only our order is the legitimate one and only nation states can have a monopoly of violence and that resistance is terrorism.

Let us not forget that Israel stayed in Lebanon for 22 years. The Israelis have remained in occupation of Palestinian territories for nearly 40 years, inflicting the most atrocious hardships on the local population, which we do not have to go into here. Complex things are happening in the region but it should not only be interpreted as a Sunni-Shi'a battle region.

Q96 Mr. Purchase: You have painted a difficult, complex and interwoven picture and I want to pull back some of those layers for a clearer view. Much is said about the support that Hamas and Islamic Jihad have from Syria. Is there much evidence to support that claim?

Patrick Seale: Hezbollah and Hamas?

Mr. Purchase: No. Hamas and Islamic Jihad.

Patrick Seale: I did not mention Islamic Jihad.

Q97 Mr. Purchase: No, I did. Do you think there is evidence to suggest that the Syrians are supporting both those organisations, particularly in the Palestine territories?

Patrick Seale: There is certainly evidence that they are supporting Hamas particularly. As Mr. Shehadi mentioned, the head of the political bureau of Hamas, Khaled Mashal, whom the Israelis tried to kill in Amman, lives in Damascus. The Syrians feel that part of their legitimacy as a regime is support for the Palestine cause, if you remember that from 1967 to 1993, the time of the Oslo accords, Palestine was right at the top of the Syrian agenda.

In 1993, Yasser Arafat and the PLO did a separate, secret deal with the Israelis at Oslo, so the Syrians felt that that broke ranks. From then on they started pushing their own agenda, the recovery of the Golan Heights. In more recent years, they have established the link with more radical Islamic groups, which are their Palestinian cards, as it were.

There are two major tracks in the peace process—the Syrian track, or the Syria-Lebanese track, and the Palestinian track. The Israelis traditionally have played one track off against the other, pretending to move forward with one and frightening the other. The Syrians' position is that the tracks should proceed simultaneously. In a way, that is why they need the Palestinian track, to make sure that they are not left behind—I do not know if I am making any sense.

Q98 Mr. Purchase: Yes, that is fine. Please develop that, to the point of commenting perhaps on Syria's relationship now with Israel.

Patrick Seale: Well, President Bashar has called repeatedly, in recent months and years, for formal negotiations to begin with Israel. The Israelis have shown no interest; in fact, Prime Minister Olmert declared that, during his premiership, Israel would never return the Golan Heights to Syria.

The United States has also taken that line, and has told the Israelis that they should not engage in negotiations with the Syrians. The Syrian position is that they do not want back-channel deals; there have been a number of them in recent weeks and months, and we could go into them if you are interested. They want formal negotiations with Israel, in which they would hope to recover the Golan Heights.

I am sure that you all know that this whole peace process started in the days of 1991. Nothing much happened on the Syrian track until 1993-94, when Prime Minister Rabin pledged to the United States—his famous “deposit in the American pocket”—that Israel would withdraw totally from the Golan Heights, in the context of a peace agreement. When Rabin was assassinated in November 1995, Peres took over from him, and endorsed that “deposit”, or commitment. When Ehud Barak came to power, in 1999-2000, he refused to endorse that deposit. As a result, the Syrian-Israeli track collapsed. Now there is talk of reviving it, and the Syrians are no longer saying, “You have got to endorse that deposit”. They are saying, “We are prepared to start negotiations with no preconditions”, but the Israelis are still saying, “No, no, sorry, we are not ready”.

Nadim Shehadi: One of the reasons why Syria's call for peace with Israel is not credible in the eyes of the world is that it is looking like an opportunistic thing. The regime looks squeezed. It is threatened by the tribunal. Regime security is at stake, and one big carrot that it can present to the international community is that it is willing to make peace with Israel. Regardless of whether peace is reached or not in the end, the process of re-engagement will end the regime's isolation and will also give regime security a boost in that sense. That is why I think that there may be some scepticism about Syria.

May I return to the army question? Lebanon was constituted with a very Levantine formula, which is based on how a Levantine trader would live in the Ottoman world. He would be a protected person, without the need for arms. The formula is based on balance of power between the different confessions. An army was always seen as a big threat, because we

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are surrounded by countries where the army has taken over. We can talk about a 28 or 29% Shi'a-Sunni balance in Lebanon. In Syria, the Alawites are 10% of the population, and they have absolute control of the country through their control of the army.

So the army in Lebanon was always kept very subordinate to political will, rather than having its own strength. The army cannot act without political will, and the political will is always achieved by consensus, so it is very difficult to get consensus to get the army to move in any situation. It was especially difficult last summer, when the war was seen as not being desired by the Lebanese Government, and they did not want to be dragged into a war that was triggered by an act of Hezbollah, possibly in consultation with external powers like Syria and Iran. Also, the Lebanese Government did not want to react to confront the Israeli overreaction, which destroyed the country. The way that the Siniora Government chose to confront that was to try to redirect the process, so that an international legality could be formed to protect Lebanon. That is what Lebanon always relied on. Instead of having an army, it relied on international protection. In that, the precedent is also Ottoman because the western powers gave protection to Mount Lebanon in the 19th century.

Patrick is absolutely right in saying that that system is no longer viable in the present day, because western protection failed in the summer. An alternative would be the two programmes that are now fighting it out politically in Lebanon through demonstrations and political involvement on the ground. The question is whether Lebanon is viable as a riviera or a Monaco, as it was before, or whether it should be a militarised bunker and very militant in confrontation with Israel. The answer lies in whether the international community can provide protection, mainly against the sort of Israeli aggression that we saw last summer.

Patrick Seale: Can I—

Chairman: Unfortunately, I do not want to go back to Lebanon. We were trying to fit in some questions on Syria, and before we conclude I would like to let Ken in again.

Q99 Mr. Purchase: Pulling back another leaf of the same problem, there is some evidence of recent activity with regard to Syria's approach to Iraq. Can you offer us any insights into what that activity might ultimately lead to in terms of Iraq-Syria relations?

Patrick Seale: I shall try. Could I just begin, in one word, by responding to what my friend said earlier?

Chairman: One word, please.

Patrick Seale: It will be. The Syrians' quest for peace is not opportunistic. They want to build a modern state and they know that to build a modern state you need peace—only in peaceful conditions can you attract the foreign investment that you require.

Relations with Iraq were deplorable for many years. There was a breach between the two countries in 1966, and it lasted for a very long time. It was only in the late 1990s that trade relations picked up a bit.

Then Iraq became Syria's major trading partner from 1998 to 2002, the years just before the American invasion. In fact, one of the first things that the Americans did was to bomb the Syrian trade office and cut the pipeline that passed through Syria. Nevertheless, there has been a great deal of suitcase trade—a lot of smuggling of goods back and forth—and that remains the case. Many Syrian factories produce goods for the Iraqi market.

Of course, the Syrians do not want the Americans to have too easy a time in Iraq, because they think that the Americans will win there and they will be next, so they have allowed a few Jihadists, as they are called, to go across that territory to continue the fighting. All the experts say that the foreign element in the insurgency in Iraq is still very small—3, 4 or 5% maximum—and that the insurgents are domestic insurgents. The Americans' great mistake was to dissolve the Iraqi army. The 400,000 men thrown on the street with their weapons became the core of the insurgency.

Syria has maintained good relations with many groups and factions in Iraq, including tribal groups, the Iraqi Ba'ath party and others. It believes that it has a role to play in the stabilisation of Iraq, but so do its neighbours such as Iran, Turkey and Saudi Arabia. The meeting that will take place in Baghdad next Saturday will, for the first time, bring all those neighbours together with a lot of outside parties, such as members of the Arab League, the European Union and the Conference of Islamic Organisations, to hammer out some sort of agreement. It will be a test of whether the will is there among the neighbours to rebuild the Iraqi state as a unitary state.

Q100 Mr. Purchase: This is the last question that you want from me on this, Mr. Chairman. Thinking of the wider middle east and the number of different aspects—Palestinians and so on—do you think that Iran and Syria have different priorities, or are there a lot of similarities in the way that they view their priorities in the middle east as a whole?

Patrick Seale: They are strategic partners, as I mentioned, going back a long way. Of course their geographic location means that they have different priorities and different vital interests. Iran looks towards central Asia and Afghanistan; it is interested in Pakistan. Syria is a Levant state; its enemy is Israel. Iran's enemy for a long time was Iraq; in fact, those two countries—Iraq and Iran, or the empires that were there before—for the last 500 years have fought countless wars and signed countless treaties. Of course Iran and Syria have somewhat different priorities, but they are at one today in responding to what they consider the pressures and threats facing them from the Israelis and the United States.

Have we time to say a word about British policy?

Chairman: We were going to come on to that in the five minutes that we have left. I want to bring in John Stanley briefly, then Fabian and Sandra.

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Q101 Sir John Stanley: Do you think that the Syrians militarily are out of Lebanon for good? Or do you think that there are circumstances in which they could come back in again?

Patrick Seale: I think that they are out of Lebanon for good. I absolutely agree with what my colleague said. Over the past six, seven or eight years the Syrians have allowed the relationship with Lebanon to degenerate into criminality. Now that needs to be cleaned up. They have got to put their relationship with Lebanon on a sound and healthy basis. It does not mean that they can be excluded from Lebanese affairs, but they do not need their army there. They should have diplomatic relations, as Mr. Shehadi mentioned, but the Lebanese in turn should recognise that the Syrians have a vital security interest in Lebanon too. This should be the basis of future relations.

Q102 Sir John Stanley: Out for good or not, Mr. Shehadi?

Nadim Shehadi: I certainly do not think that there is a possibility of the Syrian army going back to Lebanon, but the criminality and corruption that we have seen in the last six or seven years is continuing. The rule of the Mukhabarat, the security services, which was continuous in both Lebanon and Syria, has collapsed in Lebanon and remains in Syria. I think that Syria feels threatened by this event, because it can influence developments inside. What is now preventing that, in a way, is the outside threat and the example of Iraq. The people look at Iraq and see the chaos; they think that if there is any change in the regime then this would happen in Syria in the same way. That is right, but there is no doubt that the collapse of that joint system in one place has sent a message in the other direction that is a threat to the system in the long run.

Q103 Sandra Osborne: Can I ask you about the role of the United Kingdom in relation to Syria and Lebanon? How do the populations of Syria and Lebanon, and the politicians, view the UK Government currently?

Patrick Seale: I am sorry to say that Britain has been largely absent from the region politically. You know better than I that the UK has focused much more on trade relations and arms sales than on having a direct political influence in these countries. There has been a very steep decline in British influence. Of course, the fact that the Blair Government chose to ally itself with the United States also means that they are excluded from the region to a large extent. There is a fundamental contradiction at the heart of British policy. Although Prime Minister Tony Blair spoke repeatedly—so did Jack Straw when he was Foreign Secretary—about support for a Palestinian state, living side by side with Israel and so forth, nevertheless Mr. Blair allied himself with the neo-cons in America, close to the Likud and totally against any form of Palestinian self-determination. This is the contradiction at the heart of British policy.

Nadim Shehadi: I largely agree with what Dr. Seale said, especially with regard to the blunders that the Blair Government have made. It was a big mistake to stand with the United States against the ceasefire in Lebanon in the summer. On Prime Minister Blair's last trip to the region, Abu Mazen, the President of the Palestinian Authority, tried to trigger a double election for Parliament, which everybody knew was completely illegal and unconstitutional and would be rejected outright. Mr. Blair supported the idea too soon, when he was still in Cairo. By the time he arrived, the idea had collapsed completely. It did not seem as though he had a real agenda; it looked as though he was trying to save himself instead of the middle east.

Q104 Sandra Osborne: When the Prime Minister sent his senior foreign policy adviser, Sir Nigel Sheinwald, to Damascus in October, did that not have any positive outcome? What do you feel the UK Government's priorities should be now?

Patrick Seale: I have here a list of things that I think the British should do.

Chairman: I hope that it is a short list. There are other witnesses to come after you.

Patrick Seale: I am sorry to have gone on too long. First, Britain should announce a firm date for the withdrawal of its troops from Iraq. Secondly, it should make a substantial contribution to the resettlement of the more than 4 million Iraqi refugees and displaced persons. Thirdly, it should declare, as Norway and France have already done, that if Hamas and Fatah form a national unity Government on the basis of the Mecca agreement, it would favour lifting the embargo on the democratically elected Hamas Government. Fourthly, Britain should declare its firm support for the Arab peace plan of March 2002, which offers Israel normal relations with all 22 Arab states if it withdraws to the '67 borders. Finally, it should join other European states in putting maximum pressure on Israel to negotiate peace with the Palestinians and with Syria on the basis of UN resolutions 242 and 338. None of that has been done by the Blair Government.

Nadim Shehadi: I have one thing that the UK should not do, which is do a backroom deal again with the Syrian regime in the interests of stability in the region. It has been tried before and it worries the Lebanese a lot that the Syrian regime could offer the UK a lot of incentives in Palestine, where it is blocking progress, in Iraq and in relation to Iran. The only concession that the Syrian regime wants is a very minor one: "Please forget about the tribunal and give us back our influence in Lebanon. It is important for our security and it is not a viable country in any case, so why should you care?" That should be an absolute red line for British policy. My feeling is that it will not happen.

Chairman: Thank you very much.

Q105 Mr. Hamilton: I should like to pick you up on a point that you made earlier in relation to Syria, Dr. Seale. You said that until 1993, Syria's No. 1 policy was Palestine and help for the Palestinians. I think that that is what you said.

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Patrick Seale: I did not say that it was to help Palestinians. I said that it was to put Palestine at the top of its agenda.

Q106 Mr. Hamilton: Could you tell me what Syria did to help the Palestinians and the possibility of a state of Palestine, apart from supplying terrorist groups with weapons?

Patrick Seale: It took in some 400,000 Palestinian refugees; it gave them access to education and jobs; it treated them like ordinary citizens and put some of them in the army; it defended the Palestine cause in every international forum; it pressed for a resolution of the conflict; and it started the negotiations at Madrid in 1991, as you know. In a sense, that

support stopped in 1993, when the Palestinians did their separate deal, which, alas, came to nothing, as the Syrians predicted. But now Syria is once again pressing for an international conference to negotiate peace on all tracks, including a negotiated peace between Israel and the Syrians, Lebanese and Palestinians—no more playing one track off against the other, but advancement towards a global settlement as provided for in the Arab peace plan.

Mr. Hamilton: Thank you.

Chairman: Thank you very much, gentlemen. I am afraid that we must stop there because we have another session with our other two witnesses, who have been waiting patiently.

Patrick Seale: Thank you for inviting us.

Written evidence submitted by Professor Anoush Ehteshami, Durham University

IRAN, IRAQ AND THEIR NEIGHBOURS—STRATEGIC REALITIES

EXECUTIVE SUMMARY

The Middle East region is going through unprecedented change at present, combining oil income-generated prosperity and wealth creation in the Gulf Co-operation Council countries with massive geopolitical dislocation brought about by regime changes in Afghanistan and Iraq and the never ending War on Terror. The strategic consequences of these developments have again put the spotlight on the Persian Gulf sub-region, with special attention being paid to Iran and Iraq. The dynamics of the fall of Baghdad in April 2003 also provide the geopolitical backdrop for the nuclear stand-off between Iran and the West (and the UNSC since the passing of UNSCR 1737 in December 2006) and Iran's enhanced presence across the Middle East.

GEOPOLITICAL UNCERTAINTIES FUEL CRISES

1. Iraq and Iran's nuclear programme remain the most problematic issues for the Persian Gulf region to manage at the present time, which have been compounded since 2006 by the growing tensions between Iran and the West over the direction of Iran's nuclear-related activities and the possible consequences of the stand-off for regional security as a whole. While the US has continued to refuse to take the use of force against Iran off the table—as demonstrated by VP Dick Cheney's statement in Pakistan in February 2007—with Iraq still burning few regional leaders were displaying any appetite for yet another military conflict engulfing the area. This has been so despite the Arab world's many reservations about Iran's nuclear programme and the conduct of its nuclear diplomacy. The so-called 34-day war between Israel and Hezbollah was one instant of the geopolitical tensions befalling the region, but not by any means an end in itself if viewed in the context of the other regional developments. The reasons for this rather gloomy assessment stems—in part—from the fear that Iran under President Ahmadinejad may finally have entered a period of post-de[acute]tente in its relations with the outside world. Post-de[acute]tente may not mean post-reconciliation, but has, in practice, meant a harder Iranian foreign policy line as populist-nationalism of this neoconservative administration has taken hold.

2. At home little doubt has been left that Iran has been “deliberalizing” under Ahmadinejad. The assault on the seats of learning, the arts, cultural openness, the press, and the publishing community has been matched by senior personnel changes which have brought to the centres of decision-making individuals with close proximity to the president himself and also close to the powerful Revolutionary Guards (IRGC).¹ These changes at home have been accompanied by a hardening tempo in foreign relations. The growing “securatization” of Iran's domestic and foreign policies has been fed by rising tensions in the region. Lebanon, following the election victory of Hamas in Palestine in January 2006, provided for the deepening of the set of regional crises that Iraq and the apparently unending war on terror had already created.

THE 34-DAY WAR

3. The July-August 2007 conflict in Lebanon illustrated an altogether new dimension to Iran's regional role in these rather tense circumstances. The perception of an Iranian-backed small but dedicated militia "winning" the first Arab war against Israel in the Jewish state's 60 year history has scarcely been resisted in commentaries. Although the true cost of the war to the Arab side—Israel's unlikely willingness to give up any Palestinian or Syrian territory without cast iron and enforceable security guarantees, death and destruction visited on Lebanon, major loss of life and property amongst the Lebanese population, the arrival of more foreign military forces in Lebanon, political instability in Lebanon, and the deepening of factional and sectarian differences in the country—are indeed great, one is still left with the feeling in the region that Hezbollah and its 15,000 militia has managed to dent Israel's aura of invisibility. The fact that Hezbollah had apparently single-handedly fought the Arabs' longest war with Israel to the bitter end—firing some 246 rockets into Israel on the last day of the war, superseding the previous record of 231 fired on August 2nd—and had forced Israel to agree to an internationally negotiated cease-fire with it were sufficient reasons for it to feel victorious and for Iran to feel proud of its own role and achievements. The Iranian government's open and unreserved support for Hezbollah stood in sharp contrast to the more cautious line of the Arab governments in the Gulf and in Egypt and Jordan who largely pronounced Hezbollah's action as "reckless" in the early days of the war. The fact that this line changed to one of muted expression of support for the "Lebanese resistance" half way through the war was perhaps a clear indication of the groundswell of support on the Arab street for what was portrayed by the Arab media as Hezbollah's heroism in the face of an unjust onslaught. Furthermore, if this campaign was ultimately a proxy war between Tehran and Washington, as many commentators in Iran and Washington insiders have surmised, then the fact that mighty Israel was being reduced to that of the US "champion" in the battle against Iran's much smaller Arab prote[acute]ge[acute] played out very badly in strategic terms for Israel's desire to maintain its deterrence against hostile neighbours, and particularly against an emboldened Iran. But even more seriously, the fact that in the eyes of the Arab masses Israel (and by extension the US) in fact lost the war will have a much bigger strategic implication for Iran's neighbours as Tehran's neoconservatives begin to position themselves as the only force able and willing not only to challenge the US-dominated status quo but also to change the regional balance of power in favour of "the forces of Islam".

4. For Iran, its popular opposition to the current situation in the Arab-Israeli conflict—its declared position of resistance and rejection of what it calls "imposed solutions"—enjoys legitimacy at home and on the Arab street, including in many GCC countries. On this foundation the Ahmadinejad administration has built a much wider commitment to the Palestinian cause, as championed by the Hamas-led government until early 2007. Tehran's growing diplomatic and financial commitment to the Palestinian government—high level and publicized visits by Hamas authorities to Iran and in excess of \$120 million in aid in 2006—combined with Palestinian expressions of gratitude to Iran during their time of hardship continues to win Iran supporters. But what is less apparent is the chasm that is widening between Iran's vision of peace in Palestine and that of the Saudi-led "Abdullah plan" presented at the 2003 Beirut Arab Summit and since followed up by the Saudi-forged Palestinian "national dialogue" between Hamas and President Mahmoud Abbas' Fatah-led forces in January 2007. Last year it was President Ahmadinejad's imprudent comments about Zionism and the state of Israel that complicated Tehran's relations with its GCC neighbours; for this year we can add their competing approaches to the resolution of the Arab-Israeli conflict as a further complicating factor.

5. Iran and Hezbollah, moreover, have spared no expense to kick-start a massive rebuilding programme of both the private and public facades of Lebanon. Iran has not only raised substantial amounts of cash through private donations, but has also seen its government commit as much as \$50 million to the rebuilding of Lebanon. This is sum equivalent to what Saudi Arabia offered in aid in July. Iran announced in October 2006 that it was going to build and fully equip 60 schools in Beirut alone and a further 40 in the Bekaa Valley. In addition, it was to build five hospitals in southern Beirut, four in the Bekaa and a further 10 in the south of the country. It also announced a plan for the rebuilding of roads, bridges, mosques and Shia places of learning across the country. Such expression of intra-Shia solidarity, which has included material support for the Lebanese Shia communities, has also been seen in the GCC countries. In practice, such open expressions of solidarity help in making common cause with Iran as well, albeit indirectly at present, further fuelling Arab concerns about Iran's geopolitical and geo-cultural reach in the post-Saddam era.

THE IMPORTANCE OF SECURITY STRUCTURES

6. Matters remain fluid largely due to the fact that the greater Middle East region in general and the Persian Gulf sub-region in particular do not have a viable and effective security regime in place to regulate regional relations and help in defusing tensions. This is a grave irony, given the strategic importance of this area to international security and economic relations. Indicative of the negative impact that the absence of region-wide security structures or networks has had was the potentially serious crisis over the "fishing boats" dispute between Iran on the one hand, and the UAE and Qatar on the other in 2004. The capture of an Iranian shipping boat and its crew off the coast of Dubai in June of that year, and Iran's response by detaining seven UAE fishing boats and their 28 crew members, helped in raising the political temperatures on both sides of the waterway. To Tehran, this was another ploy to assert the UAE's claim to the three islands, while to the GCC it again illustrated Iranian intransigence and Tehran's militaristic approach to

problem solving with its southern neighbours. Although disputes of this nature are not uncommon, the ease with which the fishing boat incident escalated is disturbing, particularly as it led to an attack by the Qatari navy on another fishing boat, detention of a further two boats, and the death of an Iranian fisherman. In a short period of time, Tehran had found itself entangled with two of its neighbours simultaneously. Did the fishing boats incidents disguise deeper security problems stretching across the Gulf? The answer is almost invariably yes. With the UAE, the islands dispute is in danger of becoming a permanent fixture of bilateral relations, but at least both sides have seen fit to “manage” it. At the same time, however, both sides are suspicious of the other’s motives in national security terms and there exists the danger that the islands dispute could ignite a much wider conflict.

7. The dispute with Qatar was altogether different, but equally dangerous, for here the two countries share a much bigger prize: Access to the world’s biggest off-shore natural gas reservoir (some 7% of global known reserves) straddling their territorial waters. With Iranians warning their southern neighbours that they should moderate their output from the shared field, and aim to settle their disputes with Tehran “through negotiations instead of confrontation”,² one can envisage a situation in which Doha or a GCC neighbour seeking military support from its resident military ally, the United States, thus raising the political temperature even further. In the current environment, Iran could misinterpret GCC moves and actually take an even harder line in its discussions with its neighbours, accelerating the cycle of enmity.

8. The absence of transparent regional security structures, therefore, means that an apparently small incident could unravel what might appear to be cordial relations. In addition, without a framework for security dialogue any moves by the GCC states to improve their links with the West also could be viewed with great suspicion by Tehran. Note in this regard Iran’s rather frosty response to the EU-GCC final statement issued on 18th of May 2004 in Brussels, which proposed that the three islands dispute be referred to the international court of justice in the Hague. Tehran saw in this statement, opportunistic gains by the two parties. It saw the EU using the EU-GCC roundtable as an opportunity to apply renewed pressure on Tehran over its nuclear activities; and it saw the UAE capitalising on the broader EU-GCC dialogue for its own narrow ends against Iran. From Tehran’s perspective, the growing relationship between the EU and the GCC had added to its security challenges in the Persian Gulf.

9. Iran’s suspicions have grown at a most inopportune time, however, as it finds itself entangled with both the EU and the United States over its nuclear programme. The GCC states, of course, also look with great concern at Iran’s ambitious nuclear-related plans. Security continues to matter in the region, therefore, forming the most important element of immediate concerns in the region. In terms of security matters themselves, such issues as Iraq, terrorism, Iran’s nuclear programme pose serious challenges for the two sides to manage their affairs without suspicion. Yet the position that Tehran has been adopting since autumn 2005 does raise a number of issues. If any new evidence for this observation was needed then the Lebanon crisis and the significant role that Iran has consequently managed to carve for itself at the heart of the Arab world should suffice. Like most wars, this one too injected a noticeable degree of dynamism into the regional system and allowed the proactive parties to it to capitalize on its course and make gains at its end. In Iran’s case, the gain has been at the regional level, giving it another platform for the exercise of its role in the Middle East in general, and its own neighbourhood in particular. This strategic link which has emerged since late 2001 between Iran’s growing regional role and the geopolitics of its engagements has been graphically outlined by the head of the IRGC, General Yahya Rahim Safavi, who explained in an interview in Tehran that “if the Zionist regime or the Americans make problems for us and organize attacks against us . . . [they should remember that] The Zionist regime is about 1,300 kilometers from our centers. If we have a missile range of 2,000 kilometers, it is only natural that a distance of 1,300 kilometers is within this range. I’d [also] like to say something else . . . the Zionist regime was defeated by a group of Hizbullah in Lebanon . . . After all, Hizbullah is a small group in Lebanon, which defeated the Israeli army in this 33-day war. How can Israel withstand a great nation that numbers 70 million, 90 percent of which are Shiites? As for the IRGC and the Basij—we have 10 million Basij members and strong Revolutionary Guards. There is no comparison”.³ The message is clear: Iran, is now ready for a showdown with the US-Israel regional axis.

10. It has also been stressed by Iranian officials that its armed forces were so well placed that they could drive Iran’s advantages home at the sub-regional level too. These added security concerns were unwelcome additions to the on-going nuclear stand-off between Iran and the West/international community, which in 2006 moved closer to open confrontation between Iran and the Western members of the Security Council. The GCC’s line on the nuclear standoff itself has begun to show signs of hardening, in particular over fears of radiation contamination in the waterway. In March 2006, Iran’s nuclear programme was described as a “major concern” for the GCC states.⁴ Two key problems vex the GCC states. First, that Iran’s nuclear reactor (Bushehr) was well within the internationally agreed 500 km distance radius of settlements in the Persian Gulf region and any accident at the reactor would require the resettlement of entire countries, which would be an unprecedented problem for the region and the international community to manage. In the case of Kuwait, Bahrain and Qatar, they were 200 km or less from the reactor and in the case of Saudi Arabia its oil-rich Eastern Province was a short distance away. The second issue relates to water supplies. As the GCC states are dependent on Gulf waters for some 80% of their water supplies any radiation leaks from Bushehr would spell disaster for virtually every neighbouring country.

11. It is therefore interesting that Gulf Arab leaders have been ready to make much more direct statements about Iran's nuclear-related activities. Shaikh Mohammed bin Zayed, for example, stated in the presence of the French president at the Elysee Palace on 21st of January 2006 that "we are against Iran acquiring [a nuclear capability]" and that "any nuclear programme will pose a threat to the Gulf region".⁵ The tough words of the GCC have often been articulated by the GCC secretariat and it has been the GCC Secretary-General who has stated that if Iran was to be found in breach of its IAEA obligations and if "all dialogue" were to fail, the GCC "would have no objection in referring Iran's nuclear issue to the UN Security Council".⁶ The GCC foreign ministers turned the diplomatic screw further by demanding, at their 98th ministerial meeting in early March 2006, that Iran should address the three islands dispute with the UAE at the same time as urging Tehran "to respond positively to the international demands and initiatives" in respect of its nuclear programme.⁷ Iran's announcement in April that it had successfully enriched uranium to the level needed to make reactor fuel triggered a deeper sense of anxiety across the waterway, however. The UAE foreign minister has added that the GCC would need "more assurances and guarantees" that Iran's programme was peaceful.⁸

12. Following former president Rafsanjani's visit to Kuwait immediately after this announcement to provide "assurances" about Iran's nuclear activities, it emerged that Kuwait in fact had led the GCC countries' efforts to take practical steps against nuclear fallout and had created a nuclear-fallout emergency and contingency plan for the member states. The real news though broke in September 2006 in Bahrain when, and without a hint of irony, the GCC Secretary-General used a major conference on the risks of nuclear pollution and proliferation to call on the Arab world to join forces to develop nuclear power for peaceful purposes. The fears by the international community that Iran's nuclear activities and its unwillingness to compromise over its programme would increase the risk of nuclear proliferation across the region were dangerously closer to being realized, with far-reaching consequences for the region as a whole.

13. Iran's five high-profile military exercises and war games since early 2006 have done little to address concerns about an uncontrollable spread of crisis from Palestine to Iraq and Lebanon to include Iran. While the week-long naval war games of the Islamic Republic was treated in a low key fashion, eliciting the response that "it is not the first time they have had manoeuvres. We do not believe that they are a threat to any of their neighbors",⁹ the GCC and Iranian exercises in summer and autumn 2006 proved to provide new flashpoints for both sides to disagree upon. Iran's announcement in August that it had successfully test-fired a long-range radar-evading air defence missile (known as Sagheb) from one of its three Russian-supplied Kilo-class submarines during its war games in that month was the first signal that such exercises were now directly being used as a means of both deterring the West and the US in particular and also pressing the GCC states into distancing themselves from the US' military ambitions and designs in the Persian Gulf.

14. This exercise was followed by another round of military exercises in November 2006, the "Great Prophet 2" exercises, during which Iran's Revolutionary Guards practiced firing cluster warheads mounted on Shahab-2 missiles and testing Iran's other long-range missile systems, notably Shahab-2 and Shahab-3 and Zolfaghar-73. The respective range of the two main systems is said to be 700 km and 2,000 km, bringing much of the Arabian Peninsula into range. The cluster bombs generate some 1,400 bomblets on detonation. The exercises took Iranian forces to the Sea of Oman and around the Strait of Hormuz, coinciding with an US-led military exercise to include the GCC states. Iranian military exercises in February 2007 added to the sense of crisis. Symbolically at least the battle lines have already been drawn, despite the assurances from Tehran and the GCC to each other that neither is target of these activities. Nevertheless, the nature of these various exercises indicate only of the military planners' desire on the Iranian and the American sides to be ready for when rhetoric gives way to action.

IRAQ MATTERS

15. In all this, Iraq has a central place. Since 2006, the on-going violence—some 120 Iraqis dying every day in the country according to the UN—has created a greater sense of tension in the area, raising greater concerns about the security and territorial integrity of Iraq in the medium-term. But tensions in Iraq have also underlined the need for a region-wide approach to the security situation in Iraq. The phrase "civil war" has gained common usage and even in the US these words are being used on a regular basis. The US-led Coalition's inability to contain the insurgency as one set of concerns was compounded this year by talk of a possible US-Iran "understanding" being reached over Iraq that might exclude Arab and GCC involvement. In the meanwhile Baghdad has drawn inexorably closer to Iran under the government of Prime Minister Nouri al-Maliki. Under the first six months of his premiership he signed a comprehensive co-operation agreement with Iran and one of the most important of these on broad security and economic co-operation he signed on 11th of September 2006, the same day on which the GCC Secretary-General called for Arabs to develop the use of nuclear technology for themselves. Nevertheless, Iraqis continue to complain about Iranian and Syrian interference in their country's internal affairs.¹⁰ There is, nonetheless some room for optimism were Iran and Syria able to contain the internal security crisis of Iraq. But on the other hand, when one hears a high ranking Saudi official say that "Iraq is already a lost battle",¹¹ then one is left with little doubt that a much bigger crisis than the 2003 Iraq war itself will be facing the region in the seasons to come. Without regional co-ordination, or indeed a security dialogue between Tehran and Washington, the drift in Iraq will deepen the chasm between Iran and its Arab neighbours. With Egypt, Jordan and Saudi Arabia apparently forming a defensive bloc against King Abdullah II's "Shia crescent", the position that

Iran will adopt with relation to Iraq and also with regard to Baghdad's relations with its Sunni Arab neighbours will play directly into the direction of relations between Tehran itself and the leading Sunni Arab states. While with Saudi Arabia Tehran may have an open door relationship, relations with Jordan and Egypt are at a low ebb, adding to Jordanian and Egyptian suspicions of Iranian involvement in their core issue—the Arab-Israeli conflict. This fear is reinforced of course by the close partnership between Iran and Syria.

IN SUMMARY

16. Over a short period of time since 2002 a structural imbalance has begun to emerge between Iran's position in the Arab-Israeli conflict and that of the pro-Western Arab governments which Tehran has been able to exploit to great effect at times of crisis. So far it has been able to do so without too much cost in terms of its relations with Arab states, but this can change at any time if the nuclear issue, or Iran's role in Iraq, continue to erode Arab confidence in the Iranian administration.

17. My sense is that since autumn 2005 a new situation in terms of relations between Iran and its Arab neighbours can be discerned. With Iraq Tehran has now entered an unique and perhaps enviable partnership and with every passing day its role there is being strengthened. Once the Coalition forces leave, of course, Iraq will be even more dependent on Iran for political, socio-economic and ultimately security support. When the military connection is added as a formal basket of bilateral relations, then we will be marking a dramatic shift in the balance of power in this vital sub-region. Were Iran able to continue with its nuclear programme unhindered, then it will have acquired a major lead over all its neighbours in both geopolitical and geo-strategic terms. The consequences of such a major shift of power are great for all the parties concerned, particularly for those countries who view the Persian Gulf as the main source of their energy and an important market.

18. Relations between the GCC states and their northern neighbours seem to have entered a new phase, therefore, and here one has the sense of it going in a more unpredictable and unwelcome direction. With Iraq on the verge of all out civil war, the nuclear stand-off between Iran and the UN Security Council nowhere to be resolved, and the dynamics of electoral politics—from Kuwait to Bahrain in 2006—directly feeding into the GCC's internal policy parameters, the region is entering a new and highly unpredictable period in its existence. It is therefore in this wider context that I wonder if we have firmly entered the “post-détente” stage in relations between Iran in particular and its GCC neighbours. In the meanwhile, the Lebanon war and subsequent political crisis has added a new dimension to Arab-Iranian relations and has provided Tehran with a solid platform on which to build for the current leadership's foray into the Levant. Iraq could be a vital link to Iran's strategic objectives in the region and in the absence of a viable alternative to the bloodshed there its role will more than likely go unchallenged. But the bigger question to ask is will Iran's neoconservative leadership be able to create, for the first time in Iran's modern history, the uninterrupted chain of alliances that would take its influence from Afghanistan and Tajikistan to the east right across to Lebanon and Palestine in the west? We already see in the role that Saudi Arabia has been playing in leading the Arab world in both Lebanon and in relation to the formation of a post-Hamas government of national unity in Palestine, that Iran's powerful Arab neighbours will not let Iran's rise go unchallenged. It would be comforting if we could interpret these moves as collective efforts to reduce tension across the Middle East, but with Iraq still a geopolitical gaping hole and Palestine and Lebanon barely away from the edge, I would rather not count my chickens until well into 2008—by which time we will not only know where Iran's nuclear dispute with the UNSC will have taken the region, but will have a much better idea of what post-Hamas Palestine and post-war Lebanon might look like politically. The train of dynamic instability is still in motion.

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¹⁰ Note President Jalal Talabani's comments to the US National Public Radio. Reuters, 26 September 2006.

¹¹ Comments of Nawaf Obaid, head of the Saudi National Security Assessment Project, in the US. Kuwait Times, 3 November 2006.

Witnesses: **Dr. Ali Ansari**, St. Andrews University, and **Prof. Anoush Ehteshami**, Durham University, gave evidence.

Chairman: Gentlemen, thank you for waiting patiently and listening to the previous session. As you are aware, we want to shift our focus slightly, although there were questions on Iran in our previous session. However, we want now to really focus on Iran and regional issues. I think that Fabian Hamilton will begin this set of questions.

Q107 Mr. Hamilton: Thank you. Welcome, gentlemen, and welcome back, Dr. Ansari. It is good to see you here again.

Iran is at the top of the news agenda almost every day. Every day we hear more about what is happening and the threat that Iran poses to stability in the middle east and further afield. Many of us are aware of the domestic political situation, especially with President Ahmadinejad. He was elected with high hopes of a redistribution of wealth and the removal from daily politics, perhaps, of some of the influence of the clerical classes. However, the opposite seems to have been true. His hopes for domestic economic reform and redistribution do not seem to have materialised. Between you, will you give us an overview of the current domestic political situation and how you see it moving in the next few months?

Chairman: Perhaps you can introduce yourselves first.

Prof. Ehteshami: My name is Prof. Ehteshami, head of the school of government at Durham university. It is a pleasure to be here.

The domestic situation is dynamic, as it were. You were talking earlier about layers with regard to Lebanon and Syria. I think that Iran has a multitude of such layers. One layer is the President, who has ultimate executive authority in the state. The relationship between him, his office, Parliament and the leader is fluid. That is due partly to issues to which you have alluded already, such as domestic and economic matters—there is record oil income in Iran, as elsewhere in the Middle East. Yet Iran's economy is suffering very badly. There is a need for an explanation.

The broader political and cultural environment has also changed over the last year and a half. The Parliament is now taking issue with the President over his management of some of these domestic issues, which it has the right to do. Part of this is the day-to-day routine of politics, but what is less clear is where politics and power begin to interact, and it is there that the role of the leader becomes quite important in terms of being this mediator, this overall referee who does not come on to the field, but supervises it from above. Where there are issues of concern, he clearly intervenes in what he regards as the interests of the broader system.

Dr. Ansari: It is certainly right, as Professor Ehteshami has said, that politics in Iran remains dynamic, if somewhat confusing at times. It is a very complex beast. What has been most striking for me in the last three to four months is the way that it has come alive again. It has done so in large part because of the municipal elections and the elections to the Assembly of Experts. These are not normally seen as major electoral signposts in the Iranian political calendar. Ahmadinejad came in and put in a Cabinet that was, as one ex-diplomat described it, a sort of security apparatus. It was not really a standard cabinet; it was a cabinet made up of intelligence officials and other security officials. He is trying to clamp down, in many ways, on what dissent there was that one could express in the previous period. Despite that clamping down on the press and other tools of expression, an alliance of interests between the left and the centre right—the sort of reformists and pragmatic conservatives between Rafsanjani and Khatami; that is the best way to pinpoint this—managed to do rather well in these elections. They have seized all the municipal councils.

Ahmadinejad himself fell out, as Anoush rightly says, with some of his conservative allies, partly because of his manner, as it happens. He tends to ignore Parliament. He does not pay it much attention and they do not like it for obvious reasons. He set up his own list for the city council. He put his own sister on it. Having come up as a sort of meritocracy and everything, he was basically as nepotistic as anyone else. He has not really put forward a coherent plan for economic policy at all. All he has done is throw money at people.

When you throw money at people, as nice as it is in the short term, inflation goes up. When inflation goes up, it is the poor who suffer. What was quite striking about his recent budget was that in an incident that may go down in history, people heckled him from Parliament about the price of tomatoes in Tehran. They said the price had gone through the roof. They were probably more expensive than in Kensington, I have to say. He retorted that they should come and shop in his local store because it was much cheaper there. The parliamentarians found that very conceited and rather flippant.

That sort of attitude has lost him a lot of support. His economic populism is not bringing any results and this continuous crisis in the air, the international crisis, and the attention being put on to Iran, are also not yielding results. What was very striking in the last couple of months was that it was open season on criticism of the President. I have not seen quite as much life in the Iranian press for several years. They really went for it. It has come alive. In many ways that has to be considered a good thing.

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Q108 Mr. Hamilton: Professor Ehteshami, you said that the Majlis is beginning to criticise the President and you compared that with the criticisms that we may make of our Government here in Parliament. There is one big difference, of course and that is the selection of candidates. We know from our visit in 2003 that many of the people in the Majlis with whom my colleagues were involved were subsequently refused permission to stand as candidates. Candidates are vetted and if even the vetted candidates who are now parliamentarians are criticising, something must be wrong.

My next question is about who controls foreign policy. We have had a lot of noises from the President about the destruction of Israel and about the building of weapons and so on. But is it the supreme leader who decides on foreign policy, or is it the President and does Parliament have any say?

Prof. Ehteshami: It depends which bit of the foreign policy you wish to examine. If you are looking at relations with the United States, then it goes into a very different pot. So, if you like, there are red lines, green lines and a whole range of rainbow colours in between in terms of how foreign policy is taken forward. In what are regarded as national security issues, the leader's office—not just the leader himself, but his office, which is an elaborate machinery, a labyrinth in its own right—has considerable influence in determining the Government line. From there flows Government policy, as it were. On such matters as relations with the United States, Iran's nuclear programme, the question of Palestine and Israel and some of the broader Muslim-related issues, the leader's office clearly has, one could say, a supreme voice or even a monopoly over some of the discussions. Red lines are not crossed in a public fashion. In terms of conducting day-to-day foreign affairs, then that remains with the President, who is the head of the Cabinet. The Foreign Ministry then plays a role, as it does in London and elsewhere in trying to liaise with the host countries. That is a very simplified and simple divide.

The problem with Iran's new politics is that it cannot avoid getting embroiled in complicated issues, like a 34-day war in Lebanon in the summer of 2006. Issues might have been minor, but a presidential visit to Lebanon can suddenly acquire a much grander dimension, so the leader's office has to intervene, to get involved and to set a line. But foreign policy is also often hard to read in an Iranian context, partly because of the checks and balances in the system. In many ways Iran may have gone far too far in its constitutionalism of putting systems in place that continuously interact and compete with the factions that also permeate the system. Reading foreign policy is trying to understand these levels of relationships—the factions, in various institutions of power and between the various institutions themselves—but also the issues that the President and his Cabinet, the Expediency Council and Mr. Rafsanjani, or the leader's office then get involved with. You would not find the President, for instance, coming up with a completely new position on the nuclear discussions were it not initiated from elsewhere.

Dr. Ansari: I think it is quite right to say that what we have is a layered process. The problem we have, although not unique to Iran, is a collective decision-making process. The key is to find out who has the varying levels of influence. Up until the summer Mr. Ahmadinejad seemed to have that spoiler effect; he could come in and sabotage various moves. We saw this with Mr. Larijani, when he was negotiating with Solana over the nuclear thing. Ahmadinejad torpedoed it rather late.

It all depends on whether the leader decides that he wants to come to arbitrate and balance and on which side he wants to fall down. That makes it a little bit more complicated. I think that, as Anoush quite rightly said, the leadership increasingly has a dominant role on major strategic decisions. My worry about that personally is that I do not think that the current leadership has a good track record for being decisive. What it tends to do is to manage the various parties. Mr. Khamenei does not, by and large, take decisive strategic decisions himself. In this way he is quite different from his predecessor. That partly comes from the domestic set-up and, obviously, the various domestic difficulties that he may have. But this I think has been a problem.

Recently, one of the worrying developments took place in the Expediency Council. We saw that Mr. Rafsanjani has been much more vocal and has been back in the fray. He has made some very interesting comments, I have to say, about developments and about the role of the presidency. All of a sudden, Ayatollah Khamenei then appoints a number of Ahmadinejad's allies on to the Expediency Council, in order to try and tip the balance of votes. Now, when you do that, it is a lovely way of balancing things, but it does not mean that you can actually get things done, which, at this particular moment in the history of Iran's international relations is problematic.

Q109 Mr. Illsley: Could I ask you gentlemen about Iran's role in Iraq? The Baker-Hamilton Iraq Study Group recently said that, of all Iraq's neighbours, Iran has the most leverage in Iraq. We have seen our own Prime Minister lay responsibility for roadside bombs in Iraq at the door of Iran, saying that the munitions were manufactured there. Is Iran specifically and deliberately using its influence in Iraq, or is that influence simply there through historical ties and connections between the Shi'a Muslims in each country? If it is deliberately trying to influence policies in Iraq, what is it hoping to achieve?

Dr. Ansari: The answer to that in some ways is both. Clearly, there are very strong ties, which you cannot get away from. One of their advantages is that many of them speak Arabic, which many of the coalition partners do not do, unfortunately, so they communicate reasonably well through the seminars and other things.

On the other hand, there is also a very strategic concern. The last time I was in Iran, and talking to individuals about this, they made it very clear that they had one single red line as far as Iraq was concerned, which was that they would not allow a

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military threat to emerge from the country again. I think that that is a valid concern that they have in Iran; that is what they want to do. Therefore, they will exercise a certain amount of influence. How much of that is sabotage, insurgency support and so on, you again have to divide, unfortunately, between elements of what we would call the formal Government and the Islamic Revolutionary Guard Corps, which sometimes has a separate agenda. Once Mr. Ahmadinejad came to office he let them off the leash.

From 2004, the date of the abduction of British soldiers off the Shatt al-Arab, things started to go very sour. Prior to that, let us be honest about it, the Iranians were almost in southern Iraq by invitation. They were being very helpful but there were obviously areas of concern, which started to increase after 2004. We must bear in mind that by far the largest problem facing the coalition in interference comes from Sunni insurgency, not from the Shi'as. Iran, by and large, has not played as destructive a role in Iraq as it possibly could, and certainly not as destructive as some other countries in the region.

Prof. Ehteshami: I would agree with Ali very much. It always surprises me that people express concern about Iran having influence in Iraq; after all, that was inevitable and it is not just politics, it is also economics, and it is cultural and social. The only place on the planet apart from Iran where the Iranian currency openly circulates and is worth anything is in Iraq. That is a small indicator of the influence that Iran has acquired thanks to the invasion.

Beyond that, Iran, as we have heard, has a direct security interest in Iraq, but also it sees Iraq as part of its forward deployment. We heard earlier about Syria's interest and how it sees Hezbollah; Iraq, for Iran, is that very front line in many ways. Remember, the holiest Shi'a sites are in Iraq. Only yesterday, on yet another of these pilgrimages, tens of people were massacred by insurgents and terrorists. Some of the folk who have died in the past have been Iranians who have been there on a pilgrimage. Iranian security forces are under pressure domestically to ensure that wherever they go across the border loved ones can come back, and that they will come back. That dimension is not often mentioned. Iran has a direct interest in the domestic security—the street security—of the Shi'a sites, apart from the grander dimension of wanting to have a presence in Iraq, not just for the sake of being there but also to ensure that the Iraq of the future will remain friendly to Iran. Iran has not had this kind of opportunity for centuries and it is not likely to let this one go lightly.

Q110 Mr. Illsley: On the question of the red line and Iran not wanting to see Iraq as a threat in the future, I should have thought that given the current situation it would be a long time before Iraq would again be a threat to the Iranians.

Dr. Ansari: Sure. That comment was made to me a couple of years ago; it is not something that I feel has changed, necessarily. There are two schools of thought within Iran on the issue. How do you deal

with the coalition forces in Iraq? On one hand, they would rather not have permanent American bases in Iraq; at the same time there is a range of views in Iraq that say, "The Americans should at least clear up the mess they made and then they can go. Let's not get them out now." On the other hand, there are also those—let us be honest about it—who are extremely ideologically ill-disposed towards the west—I think that is the best way to put it—who think this is a good opportunity to irritate and harass them and force them out. I am inclined towards the other view: if you are taking a strategic perspective on Iraq, and you want a stable country of sorts on your border, they obviously need to handle it a little more prudently, in terms of their relations. However, it is true that there are those on the more hawkish side of Iranian politics who often take matters in their own hands.

Going back to Anoush's comment about layers, it is very important to remember that, in many ways, Iranian politics is extremely decentralised. People sometimes do things on the ground that the centre may only hear about afterwards, and it then has to go and pick up the pieces. You have this almost feudalisation of Iraq, with some coalition forces—you have seen this happen with some over-mighty generals. You see exactly the same with the IRGC. Depending on the control in Tehran, they either have more leeway to do things, or less. I think that the more leeway that they have, the more problematic the situation becomes.

The example of the 2004 incident with the British troops was quite clear; a local commander wanted to please his bosses. In fact, that obviously turned into a fiasco. However, the fact is that the decision did not seem to come from Tehran. That is something that we must be aware of. Whatever the grand strategic picture, the devil is in the detail, unfortunately, and that causes problems.

Q111 Mr. Illsley: I know that a lot of the Iraqi Government members have previously been exiled in Iran. To what extent do the current Iraqi Government rely on Iran for support?

Dr. Ansari: The curious thing about this—I will pass on to Anoush in a moment—is a point that Ambassador Zarif made in the UN very clearly. Iran has no interest in destabilising Iraq, because the Iraqi Government is largely composed of people who spent most of their time in Iran.

I talk to Iraqi friends of mine who are Iraqi analysts and they say that some of these Ministers speak Persian better than they speak Arabic, or they speak Arabic with a very thick Persian accent. I did not believe that to begin with; I thought that my friends were exaggerating. However, the fact is that the various groups are—I would not necessarily say that they are politically beholden, but certainly they have strong cultural affinities with Iran. As Anoush was saying earlier, for Iran this is a golden opportunity in some ways. I am not saying that there are not spoilers in the system, but there are many people who see this as an opportunity that they ought to make the most of.

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Prof. Ehteshami: They speak Persian primarily because many of them have families in Iran, and over the years, they have acquired Iran's cultural fabric. It is so important to stress that cultural fabric; they have now acquired an Iranianness to their identity, in ways that they did not have before they were kicked out by Saddam Hussein.

Q112 Mr. Illsley: Finally—we touched on this, or our colleagues did, in the last evidence session—how much significance do you place on the upcoming conference, which may take place in Baghdad, where it appears as though the Americans will speak to the Iranians? Bear in mind that the Senate Foreign Relations Committee suggested this move over a year ago, and it was snubbed by Bush. I think that we have suggested to our own politicians here that there should be a dialogue. Now that that dialogue appears to be on the agenda, how significant is it going to be?

Prof. Ehteshami: Again, if you look at it symbolically, I think that it is very significant that they are meeting on this stage, in this place, and that all the parties will be present, as it were. It reminds me a little of what Patrick Seale was saying about the Arab-Israeli peace process and the Madrid meeting back in 1991; that was a symbolic meeting. On the Syrian track, that process has gone absolutely nowhere at all, but the Palestinian-Jordanian track has certainly yielded results, in terms of some kind of a peace with Jordan and some kind of a process with the Palestinians.

This meeting could have the makings of that kind of a grand opportunity, or it could pass merely as a symbolic gesture. My own view at present is that, given the dynamics of the parties that will be involved and the personalities—whom we have heard about—who will be involved, I doubt very much that we can get beyond the symbolic. That is because I think Iraq is not the issue that Iran and the US need to talk about; Iraq is, at present, one of the range of issues, but it is increasingly a sideshow, as regards their core concerns. If this meeting facilitates a route to address those core concerns, that is fine, but my own view—Ali may differ—is that I cannot see it going anywhere beyond the symbolic.

Dr. Ansari: I concur fully; I agree entirely with what Anoush has said. I also heard from Washington that members of the US delegation had no intention of talking to the Iranians at the meeting—but others can comment on that better than I. The meeting was called by Iraq, and they were going to keep their distance. I am not sure, either, what sort of delegation the Iranians will send. As Anoush rightly says, they need to discuss a range of other things. It could be an opportunity, but I have my reservations, sadly.

Q113 Chairman: Before we move on, can I pick up a point that was made about the exile relationships? At the moment, as I understand it, it is reported that Moqtada al-Sadr has left Iraq to go to Iran—for his own safety, I assume. How much influence do the Iranians have with the Sadrists, and how much with the Badrists, the SCIRI people? Are they in a

position to bang heads together and get those two groups, and Da'wah and Fadila all the other Shi'a parties, to stop this power struggle, or are they playing the power struggle as a way in which to create weak government in Iraq, which could serve their interests?

Prof. Ehteshami: The al-Sadr issue is very interesting, because he does not represent any kind of religious weight. It is largely that he carries a name that is a very distinguished name in Shi'a mythology and theology, and also the fact that he was so ably prepared to step into the vacuum and push himself forward as one of the vigilante groups. Frankly, that is all that he is in the Shi'a politics of Iraq. To a degree, my take is that Tehran sometimes sees him in that light. While he serves a good purpose, he is useful; his brigade is there and it is fully armed and present in Sadr city and around Baghdad—it provides the main security there and also has a reach in the south. However, for Tehran the bigger prize is keeping the Houzeh in Karbala and Najaf on board. Differences between Sistani and his machinery and al-Sadr are so great in Iraqi domestic terms that the prudent members of the Iran establishment are very careful not to be seen to be too openly supportive of al-Sadr while also not abandoning him.

Mr. Chairman, you said that al-Sadr is in Tehran. I think that it is an open question whether he really did leave the country. He might have gone to the Kurdish border, which could be more or less Iranian territory.

Dr. Ansari: I do not know whether he is in Tehran or not. The interesting thing is that there are family relationships between Sadrists and other Iranian clerical families. However, the Sadrists are the least popular faction in Iran anyway. They are not seen as people who have been particularly helpful. They have worked on the SCIRI and Da'wah and others—and the Badr brigade, because that was funded by Iran.

I think that Iran could play a role, in that it would knock heads together, but right from the beginning, it felt that Moqtada al-Sadr was something of a firebrand, who needed to be kept under control, if it could do it. I do not know whether it can exercise control that directly, because he has built up a following of his own. That takes us back to what Patrick Seale said in the previous session, and I think that he is absolutely right: since last summer we have fallen under the rubric of seeing everything as a Shi'a-Sunni divide. It does not work that way. There is probably more to be said for a Persian-Arab divide than a Shi'a-Sunni divide, and you need to bear that in mind.

Q114 Richard Younger-Ross: A senior official in Hamas says that he feels the EU has now been supplanted by the Iranians in the supply of aid. The same official also said that our relations with Iran have angered Saudi Arabia. Considering that, has the Mecca agreement been a setback for Iranian attempts to influence the situation in Iraq, and if so, do you think that Ahmadinejad will seek to undermine it?

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Prof. Ehteshami: If we had had this session before Sunday, I would not have answered as I am about to do. Ahmadinejad's trip to Saudi Arabia and his meeting with King Abdullah was a significant event, in that it was the first time. In the short time that he has been in power, Ahmadinejad managed to see much of the world, from Indonesia right across to Venezuela. He is probably one of Iran's most travelled leaders, which is ironic because he still does not know much about the world, despite his travels.

Richard Younger-Ross: He can compete with Ken Livingstone.

Prof. Ehteshami: Ahmadinejad's trip was billed—not so much by the Iranian press but by the Saudi press—as important in trying to clarify some issues. What are the issues? The issues are: Lebanon, the stability of the Sunni-led Government and the role of Hezbollah therein; Iraq and Iran's role therein; Iran's nuclear programme and its impacts—environmental, political, security and so on—on its neighbours; and last but not least, Palestine. Iran has wanted to get engaged with the Palestine question since the revolution. Ayatollah Khomeini's main mantra was to liberate Iraq so that we can liberate Jerusalem. That was his strategy for much of the 1980s. The interest has been there, but this is the first time since 1979 that Iran's reach is truly important.

As you said, Iran's reach has not come through just polemical or ideological support for the Palestinians. For the first time, there is a Government in the Palestinian territories—a Hamas-led Government—who choose to make their first foreign trip to Tehran and not to an Arab capital. Again, that is symbolically important. As you have heard from Palestinian authorities, Iran has supplanted the European Union as Palestine's main financial backer. That has not sat well with the Arab world, particularly not with those who either hold the Palestine question as their key issue, such as Saudi Arabia, or who have had relations with Israel and are worried about how Iran could influence them, Egypt and Jordan being the two examples. The Arab world in general is concerned about this, but in the absence of any support for the Hamas Government—and with the Arab states under US pressure not to support them—it made perfect sense for them to go to Tehran and test that loyalty of the previous 25 years or so that I have been talking about. Now Iran has acquired that presence in Palestinian politics.

The Mecca meeting was followed by this exchange between King Abdullah and President Ahmadinejad, which I think is significant. The Saudi press—not the Iranian press—came out after the meeting saying that Iran had accepted the Mecca accord and that it also accepts the Arab peace plan, which we heard about an hour ago. I have to say, I will wait for confirmation of both of those before I buy that fully. I think that it will be very difficult for the current Government in Tehran to accept the Mecca accord in full, unless they are assured that Hamas's role is secured and that Hamas will not be forced to change sides, through financial support or other incentives, away from Iran. If that were to be

the case, Iran would find it very easy to oppose the Mecca accord, on the basis of its selling the Islamic Palestine question cheaply. Let me stop there.

Dr. Ansari: I will make two small points and take things in a slightly different direction. When we talk about Iran's growing regional influence, one of the things that we have to bear in mind is that a lot of this is a consequence of own goals that have been scored by various parties in the middle east. Ahmadinejad and the Iranian Government have been able to exploit various weaknesses. Hamas is a case in point, but the interesting thing that also sometimes emerges is the reaction in Iran to that support. There are many people who do not think that the Iranian Government should be sending \$200 million a year to Hamas, when they should be feeding their own people. That is an element.

One interesting thing came across after the execution of Saddam Hussein. You would not be surprised to hear that not many people shed a tear in Iran that Saddam Hussein had been executed—in the Arab world the execution was widely considered to be basically a Shi'a lynch mob taking revenge. However, mourning ceremonies were held in the Palestinian territories to lament the death of Saddam Hussein. I can tell you that this went down very badly in Tehran. The idea is, "If we're helping these people, what on earth are they doing?" That goes right back to Yasser Arafat. He was welcomed at the beginning of the revolution, but probably supported Saddam Hussein in the Iran-Iraq war. He then became the most reviled person in Tehran. There are a lot of curious cross-purposes here, which are quite interesting. The Iranians take the opportunity that is opened up to them in some ways mainly by the Arab states not doing enough, which is clear in Iraq as well. On the other hand, it was very striking that after Saddam Hussein's execution, people were not happy that in Palestine they were busy mourning this great Arab hero. They said, "Well, he was not a great Arab hero as far as we're concerned. Frankly, he was paying you the money."

Richard Younger-Ross: The Quartet is still calculating how to respond to the Mecca agreement. How do you think Iran would want the Quartet to respond?

Dr. Ansari: I will leave that to Anoush.

Prof. Ehteshami: Thank you so much. It depends which Iran you are talking about, I would venture to say, because there is one Iran that sees great advantage in settling the issue once and for all, providing it with the opportunity for a get-out clause from the intransigent position that it has adopted. If the Mecca accord can bring in Hamas and legitimise dialogue in the Palestinian community as a whole to recognise Israel, and if Hamas is part of that, it makes Iran's job a lot easier.

There are those in Iran who think that it should be looking towards a more constructive position on the issue if Hamas is going with it. The old saying in Tehran is, "We cannot be more Palestinian than the Palestinians." That we cannot be more Islamist than Hamas sounds even better. There is that side. Those elements would want the Quartet to endorse the Mecca accord, so that Iran can get off the hook and

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proceed without worrying about compromising its own principled position on the issue, if Hamas is part and parcel of the process.

There are those, however, who for ideological reasons as much as anything else continue to argue that Palestine is non-negotiable and that Quartet acceptance of the Mecca agreement is more evidence for the conspiracy of the western Zionists to take the Palestinian territories and the Palestinians themselves away from their rightful place, which is in the heart of Islam.

Both forces are out there peddling their business, but the pragmatist forces, as Ali said, are not just reformists. There are conservative forces in Iran that recognise the futility of Iran's position. If this were to get them off that position, I think that they would probably welcome it. It will also depend what the European Union position in the Quartet is. That will also be important, because if nothing else, over discussions about its nuclear relations with Russia, Iran has warmed to Russia's middle east role, but it does not rate Russian influence in the Quartet. It rates the EU's, frankly, and it sees the EU as providing a counterweight to America. If the EU is playing the counterweight in Iranian eyes, Iran might see advantages in it.

Q115 Richard Younger-Ross: Obviously, President Ahmadinejad has made some inflammatory comments, not the least of which is that Israel should be wiped off the map. Which audience do you think he is playing to? Do you think that in a sense, he is deliberately courting danger? Some elements of what he says at times remind me a bit of Saddam Hussein, in terms of bluster—that this will be the mother of all battles, as Saddam would say. He seems to have the same language, almost as if he wants someone to respond to him.

Dr. Ansari: First of all, the language in the east is always a little bit more flowery, I suspect, and it sometimes loses something in translation. There are a number of things that have been lost in translation. None the less, my view of Ahmadinejad is basically that he is a populist. I think that he believes a lot of what he says. He was elected on a “what you see is what you get” platform. Unfortunately, the Iranians, having elected him, probably did not realise that, or how far he was going to go, because they could not quite believe their eyes.

He makes inflammatory comments that play to a certain constituency in Iran—it is quite a small constituency, but it is there—and which are also geared very much to the wider Arab world, rather than the Iranian world. A lot of what he does is really Islamist-populist, if I can put it that way. That is where the chickens are coming home to roost. One of the most striking things was the holocaust conference that he had the audacity to hold via the foreign ministry, where it caused a certain amount of anxiety—it was not seen as its thing to do. The reaction in Iran to that conference was quite striking because people had to come out and explain themselves, and what on earth it was all about. If one good thing came out of the conference, it was that it engendered a certain amount of very negative

reaction in Iran. People were wondering what on earth the point of it all was. It brought Iran only a lot of bad publicity and did not, to my mind, represent views there.

You might ask whether Mr. Ahmadinejad is cunning or politically naïve—there are two schools of thought. I think that he is a populist. I do not think that he is cunning. Others in the Persian elite are cunning, have good political common sense and know how to play the game, but Ahmadinejad was elected because he is basically a very simple man who was meant to be “one of us”. Unfortunately, what they got was just a simple man. As Anoush said, nobody has travelled the world so much and yet so completely misunderstood it. It is quite bizarre. Having said that, he only started travelling very recently.

Incidentally, it is now coming out that a lot of the very great statements made about him—“greatest mayor in the world”, “greatest administrator in the world” and “greatest guy” and all that—were nonsense. I have even heard talk of him having gone behind the lines in the Iran-Iraq war. In fact, people are saying that the only lines he was behind were the Iranian ones, not the Iraqi ones. A lot of things are not looking as good for him now. As a consequence, people are picking holes in his rhetoric.

Q116 Richard Younger-Ross: A bit like Bush then.

Dr. Ansari: Cut from the same cloth, as someone said once.

Prof. Ehteshami: I want merely to add that on another level his rhetoric on Israel and the holocaust has had a security dimension to it. The atmosphere in Iran is electrifying and has prevented discussion of Israel, which there had been until the end of the Khatami era. Israel was a name that you would hear. Now it is back to this Zionist entity again. Elements in Iran were trying very hard to establish intellectually Israel's right to exist, as a presage to discussing where they went from there. His rhetoric has ended all of that and has so polarised the atmosphere, as we have heard, that nobody has been able to come forward and say, “Ah, but”, because his is, of course, the great Islamic cause.

In addition, although he has been mocked in sophisticated circles in Iran for what he has said and his efforts to organise the holocaust conference, it was not too long ago that people in Indonesia were marking Ahmadinejad out as this great Muslim leader who is out there speaking Muslim minds. He was told that when he went to Indonesia. Students in Jakarta said, “You, as a Muslim leader, are able to say and not suffer the consequences of what our leaders do not even dare think in private.” When he hears those things, he really does believe that this is the Muslim cause that he ought to be championing and that the way to do it is to continuously delegitimise Israel and what its identity has been forged by—the holocaust. We might not like it, but there are intellectual drivers behind what he has been saying.

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Q117 Mr. Horam: Turning briefly to Lebanon and Hezbollah, you heard what was said in the previous session, which was very interesting. How do you view the relationship between Tehran and Hezbollah? How far is Hezbollah an independent Lebanese force and how far can Tehran influence it? Does it want to influence it?

Dr. Ansari: I tend towards what Patrick Seale said. It is a Lebanese force. The relationship is like that of cousins—they are related but they do not necessarily always agree. Some people believe in a direct causal relationship, but I do not believe that that necessarily exists. I do not think that orders come from Tehran on how to do things; it does not work like that; they are not that close, and they have been moving further and further apart since the 1980s. Hezbollah wants to be a Lebanese political party, so it has to create a distinctive force. Nevertheless, although the Iranians will say that the support is purely moral, I think it is more. They are first cousins, maybe. They talk and they have a lot in common.

Q118 Mr. Horam: So you do not think that Iran has a big investment in the whole thing?

Dr. Ansari: I think it does, but that does not mean that it can direct things in the way that people suspect. The analogy that is often used is that of the United States and Israel. Can the United States dictate what Israel should do?

Q119 Mr. Horam: Do you agree with that analysis, Mr. Ehteshami?

Prof. Ehteshami: Absolutely. Hezbollah's place should be seen first in the Lebanese context, and then related to forces beyond Lebanon. In that sense, Iran has a very direct interest in the success of Hezbollah as a political force, just as it has been nurturing the other Shi'a organisation in Lebanon—Amal. Iran's interest is to domesticate Hezbollah as much as it can. When one considers the popularity of Sheikh Nasrallah in Arab circles, one sees that it would appeal to the Iranian view on domestication of Hezbollah were he now to supersede Gamal Abdel Nasser, because the Iranians would then have to invest much less in legitimising Hezbollah. However, there is always a security aspect. As we heard previously, Hezbollah will continue to serve a very useful purpose to Iran for as long as it is in south Lebanon, and therefore north of Israel. If Iran felt any threat from Israel, for instance by way of pre-emptive strike on its nuclear capabilities, I think that it would find it too difficult to resist the temptation to use Hezbollah regionally.

Q120 Mr. Hamilton: In 1998-99, the late Labour Foreign Office Minister, Derek Fatchett, was responsible with the late Robin Cook for restoring UK relations with Iran. That marks us out from the United States, which to this day has still not restored diplomatic relations with Iran. The UK has tried to be a voice of reason with Iran, leading the E3 when Jack Straw was Foreign Secretary. I today met Bronwen Maddox, foreign editor of *The Times*, who confirmed that the UK and Iran have been working

on the trade in drugs that come through Afghanistan into Iran. There has been a lot of co-operation on that. Do you think that Iran values its co-operation and dialogue with the United Kingdom on drugs, regional security and other issues, or does it see the UK just as a part of the coalition with the United States and the west?

Prof. Ehteshami: I would say that it sees Britain in both roles. It sees Britain as the United States' closest global ally alongside Israel, which is a problem for Tehran. At the same time, being America's closest ally apart from Israel is an opportunity. One gets the interesting sense that Iran sees Britain much less as a European Union power than as a transatlantic actor. It is that perceived capacity that I think causes Tehran to give weight to Britain's voice internationally.

Iran has many issues, some of which go back in history. Jack Straw himself has said that every time he sits down to talk an Iranian official, the official starts the conversation with the subject of Mossadegh and the 1950s, so that he has to repent before the official will say anything else to him. I hope he will forgive me for quoting him on that.

Britain's relations with Iran are certainly long-standing and complicated. For the moment, Britain is playing a useful role in Afghanistan, and Tehran is very comfortable with the Karzai Government. Britain is in Afghanistan in force—within the NATO coalition—underpinning the Karzai Government, and that is very welcome as far as they are concerned. However, on the other side of Iran, in Iraq, Britain plays a very different role. That duality tends to feed into Iran's perceptions and local policies towards Britain. It blows hot and cold over certain issues, and it is also affected by statements coming out of Whitehall. Increasingly, Iranian belligerence is being echoed by bellicose statements coming from Whitehall. It does not help matters that Britain is increasingly put alongside the United States and Australia as a coalition around President Bush.

Q121 Mr. Hamilton: Professor Ansari, do you agree?

Dr. Ansari: It would be fair to say that there is no more complex relationship than that which Iran has with the United Kingdom. As we know, the historic relationship is extremely dynamic and extremely sensitive on all sides. It is not just Mossad; there are other things that the Iranians are now very concerned about, and they believe that the British are involved in Khuzistan, which would not be helpful. Again, that has historical antecedents.

The Iranians certainly value the relationship with the United Kingdom. There is a strong element of respect for what the British can do politically. That is historically founded. There is obviously also a great deal of cynicism as to what Britain can do politically. That means that it is a relationship that has to be worked on.

There are clearly divisions within the Government on how to approach Iran. That comes across quite clearly when you look at the different statements coming, say, from the Foreign Office or Downing

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street. These things need to be taken into account. There is clearly a huge amount that Britain can do, and it can play a very positive role, but it needs to be done very much with an eye on history.

Q122 Mr. Hamilton: Given what you have both said, and understanding the history and complexity of the situation, could the Government persuade Iran to play a more constructive role in the region, or would it simply take no notice?

Dr. Ansari: The current Government in Iran, with Mr. Ahmadinejad, has an ideological dislike of the United Kingdom—"You are the little Satan, but not a poor one." That would be quite difficult, but there is a range of opinions in Iran, particularly in the previous Government and also among moderate conservatives and others who would see some sort of relationship with Britain as very positive—or a reconfiguration of that relationship. There is no doubt in my mind that Britain can do a lot more, but it has to be extremely proactive about it. Iran is a difficult country in many ways, but given that we are in Afghanistan and Iraq we cannot afford to ignore it.

Q123 Mr. Hamilton: Is the nuclear issue tainting what we can and cannot do, and whether or not Iran listens to us on other issues, or is it seen as a separate issue?

Dr. Ansari: I think that the Iranians see everything in a holistic way. I do not think that they separate those issues. I would not necessarily say that it taints you, but I think you have to see it as a collectiveness; all sorts of things need to be done and you cannot deal with things separately. But they will not read it in that way. The tendency of western analysts to categorise and compartmentalise things does not work.

Prof. Ehteshami: The nuclear issue does not play much in the bilateral debate; it is where Britain sits with the US that matters. In that regard, now that EU3 is very much in concert with the American position, it makes it much more difficult for Britain to strike out at a tangent. So Iran sees Britain as an important player of P5 + 1, as things stand now, but beyond that, as we have heard, I would say that there is a lot that Britain can do. Co-operational narcotics control is one of them, but there are other areas where Britain is important.

The City of London is crucial to Iran's international trade. In that sense, the City can be a very important partner to the business community, which has an interest in working with the world and not against it. That is one example. Britain's military and industrial complex is valued in Iran. I cannot for a moment see Whitehall selling weapons to Iran, but none the less there is an industrial side for which Iran desperately needs expertise. The oil industry is a classic example. Aviation is another good example. Iran's motor cars are choking the country to death because they are the old Hillman Hunters—if nothing else, Britain owes something to the population of Tehran. Frankly, looking at it from the outside, you can see that countries like Germany, Austria, France and Italy have got a real lead there,

because they have found ways of reducing the pressure from Washington on dealing with Iranian community as a whole, not just the political establishment. France is now, for instance, the leading motor-car adviser-manufacturer, a position that used to be Britain's. And we have not even touched yet on the role that China, Korea, Japan and India are playing.

Q124 Chairman: It will be interesting to see whether that will affect the position that the French will take on sanctions—I will not go into that.

May I ask you some questions looking at the region as a whole? You said that it was dangerous to compartmentalise, Dr. Ansari, but we also have the other problem, where people generalise too much. The Prime Minister referred to an arc of extremism—do you think that that is a helpful concept?

Dr. Ansari: In my view, not at all. I think again that this is what I was mentioning earlier. As far as I can see, there is a fashion, which emerged over the summer, to lump everyone in; basically, the Shi'as became the bad guys, overnight. We have gone completely back to square one following 9/11, when the bad guys were clearly radical Sunnis. This fitted various numbers of policy requirements; that was part of the rhetoric that helped. I am not convinced by it and I agree that generalisation is one of the banes of our policy life.

Q125 Chairman: But King Abdullah of Jordan talked about a Shi'a crescent as well, tying in this point we made before about Syria, Lebanon, Hezbollah and Iran. Clearly some of the Arab regimes—the Sunni regimes—fear the rise of Shi'a Islam. It was touched on earlier, with reference to Bahrain. There is a Sunni minority within Iran—is there potential for a Sunni-Shi'a conflict both within and between countries in the region?

Dr. Ansari: Can I just add something before I pass on to Anoush? I think that there is a definite agenda there. It is an agenda-driven policy. They have fears, but it is driven in a sense by an irrational fear, which tends towards generalisation. I know that King Abdullah raised this; I think a number of other Arab leaders have made some really quite astonishing comments over the last two months. I was very struck to hear Walid Jumblatt, the leader of the Druze—not the most orthodox religious group in the world—of all people, describe the Shi'as as Majus, which is Magian, essentially Zoroastrian fire worshippers. This is very bizarre. It is very bizarre language, which is basically, as I said, coming out of this Arab-Persian divide. They are saying that all the Shi'as are beholden to Tehran and so on and so forth, although the evidence on the ground does not suggest that. There are links—of course there are links—but the direct idea of Persian hordes rearing their heads again is not helpful. It does not make policy easy. It basically simplifies us into making more mistakes.

Prof. Ehteshami: On the arc of crisis, I can draw you a zigzag, which is even longer than an arc, and we can still maintain the argument that there is a crisis.

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There is certainly a crisis, and this thing stretches beyond Pakistan, beyond Kashmir; you can bring it right round to Lebanon and beyond; if a bomb goes off in Egypt tomorrow, we can include Egypt as well, then go all the way down to Darfur. This region is in crisis. There are reasons why the region is in crisis. One of them is of course the geopolitical vacuum that the war in Iraq has created, with the opportunities that therefore brought for a country like Iran. The empowerment of the Shi'as in Iraq is akin to the genie being out of the bottle; the Shi'a issue is now an Arab issue, it is no longer a Persian-Arab issue. That is what is causing concern to King Abdullah of Jordan. If I was sitting in his place, I would have similar concerns.

Q126 Chairman: Is Iraq a bigger threat to regional security than the other conflicts that we have been talking about: Israel-Palestine and Lebanon?

Prof. Ehteshami: I think that an unstable Iraq is a threat to the stability of the neighbouring countries. If you were to ask whether that was a regional security concern, I would say yes; but the critical regional problem is Palestine. That, I am afraid, we cannot walk away from. Darfur can burn; Baghdad can burn; Pakistan can be in chaos; Afghanistan can be in chaos; I do not think that we will ever find a satisfactory solution to Iraq without the involvement of all the neighbouring countries; but even if we do settle Iraq, so long as we do not have a settlement of the Arab-Israeli conflict—and we will start in mandate Palestine, and hopefully get to Syria—the region will not acquire stability, because the heart of the region will remain unresolved. I would say that it makes perfect sense to try to bring that one to heel, as we have the Quartet at least dealing with it, and then move across and deal with Iraq.

Before I hand over to Ali, may I add one more thing, which we have not had a chance to talk about? The complexities of the region are underpinned by the absence of any regional forum to enable dialogue between competing forces and parties. That strikes me as a real absence. Britain, and the European Union more broadly, can play a significant role, in bringing 27 diverse countries into one union. The European Union model is important for preaching the message of dialogue and compromise. No one else out there can do that more effectively. It is ironic that we do not have that in place in a region that the world so concretely and directly depends on for its security.

Dr. Ansari: I do not have much to add to that—that was summed up very well.

Chairman: Two final brief questions, Sandra Osborne.

Q127 Sandra Osborne: Can I ask whether you see any prospect at all of a split in the Iran-Syria alliance and how significant that would be?

Prof. Ehteshami: I do not see that happening in the immediate future, because there is no incentive for either Tehran or Damascus to end the alliance. If anything, external forces are reinforcing this partnership and pushing them ever closer. The

alliance has now jumped the generations. It started with Hafez al-Assad, the father of the current Syrian President, who has inherited it and regards Iran as Syria's only reliable partner in the region. It is interesting, is it not, that Syria is the only Arab nationalist regime around, yet its closest ally is non-Arab Iran—and not just that, but an Islamist Iran led by President Ahmadinejad. Frankly, that is not a happy situation for Syria to be in, because its natural home is with Egypt, Jordan and Saudi Arabia, not with Iran, given its Arab-nationalist pedigree. But Syria is with Iran, because it has very little else to rely on.

Also, the Iranians have been good partners to Syria. They have provided the Syrians with financial support when they have needed it and with hydrocarbons, oil in particular. However, the partnership also goes beyond that. The same cultural element that binds Iran and Iraq also binds Iran and Syria. There are Shi'a shrines in Syria, and Iranian pilgrims visit Syria in their hundreds of thousands with pockets full of money that they spend in Damascus and other places. So there is more than just grand politics at stake here.

Also, it is important for Iran's regional role to have an Arab ally. We heard in the last session that Syria is ruled by a 10% minority of Alawis, who are a link to Shi'ism—it is still very unclear whether they are Shi'as or not, but there is some evidence of an intellectual relationship with Shi'ism. Iran sees an interest in keeping Syria that way for the moment. But if you are looking at how that partnership might change, I would say that it would change if Syria was given incentives by either Arab states or the west to change direction and move away from Iran. Syria needs tangible results on the Golan Heights and discussions with Israel, it needs to be sure that Lebanon will not become a backyard for Israel and the west, and it needs to be sure that the sanctions that are now in place—for instance, from the US and so on—are lifted, so that it can survive in this very competitive international environment. Frankly, at present I see no signs of any of those coming to fruition.

Dr. Ansari: Can I just add—I know that I am not mainstream on this—that I think that far too much weight is given to the separation of Iran and Syria, to the point that as far as I can see the real beneficiary of the relationship is Syria? As Anoush rightly says, there is a certain prestige element in having this association with an Arab state, but in financial terms and other terms the links go one way, as far as I can see. Iran provides Syria with things; I do not know what Syria provides Iran with. It has sometimes been commented that Damascus could be a mediator towards Washington—fat chance. I cannot see that happening. If they are going to do it, they will do it through London. Quite a bit is made out of that, and it might fit the dynamic of the Arab-Israeli peace process. It will look bad on Iran if it loses yet another ally, but in practical terms I do not see how it will affect Iran.

Chairman: The final question.

Q128 Mr. Purchase: Turning now to the Gulf Co-operation Council, there is no question but that it is very focused on the Israel-Palestine issue despite the

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distance between them, even more so—at one level at least—than on the problems of the Iranian presence in the GCC countries. What role do you think the council plays in the middle east's general and multiple crises?

Prof. Ehteshami: It plays a very significant role in an environment in which the Saudi GNP multiplies exponentially with the price of oil. The whole weight of the region, in my view, has shifted away from the Levant and the Mashreq—the old heartland of the Arab world—to the city states of the Arabian peninsula. That has taken time to mature; it has matured, in my view. The current oil price determines that. Saudi Arabia has in the past been able to use oil as the key weapon of its diplomacy, and it has used it effectively, as did Kuwait during the Iran-Iraq war, when it used the oil income to ensure that Saddam Hussein provided the first barrier against the export of the Iranian revolution as they saw it in the 1980s.

That has carried on. Of course, the jihad in Afghanistan in the 1980s was won by Saudi money when they supported the mujaheddin against the Soviets, and so on. They were intimate partners of the United States, in that the US provided training and other resources and the Saudis and some of the other GCC countries provided the means for the jihad in Afghanistan. Today, with the weight of the GCC economies being what it is, they have a much more proactive—which is unusual for them—and vocal presence on the regional issues, whether on Iraq, Palestine or Lebanon, and we will hear them on Darfur, Somalia or the situation between Ethiopia and Eritrea. The Saudis are coming into their own. They are doing that partly because no other Arab state can play that role, because they have the resources to play that role and because they need to come out of the box that the US had put them in after 9/11 of being the real sponsor of Salafi Islam.

Q129 Mr. Purchase: Thank you very much. Do you want to comment, Dr. Ansari?

Dr. Ansari: I just want to add, on the subject of Iran's relationships with the GCC states and in the Persian Gulf, that we tend not to look so much at the economic underpinnings of that growth. It is striking to see how much Iranian private sector there is in the Gulf region. That emphasises the point that despite some of the political differences, I have yet to find anyone in the Gulf who would be in favour of an extension of the conflict into Iran. They are very worried about it. In terms of their business opportunities, it will cause a lot of problems.

Q130 Mr. Purchase: Professor Ehteshami, you said in your written evidence that there is a lack of regional security structure in the Gulf. What kind of structure could be established that might defuse some of the tensions?

Prof. Ehteshami: I am impressed that you have already read it and digested some of the comments. It is a really good question and I wish that you had raised it a bit earlier, because I should like to spend an hour talking about it.

Chairman: Unfortunately we do not have the time.

Prof. Ehteshami: As we do not, just to be brief about it, there is much we can learn from the Helsinki process—the process, not the outcome. The logic of it is that you bring people of different persuasions around the table, for them to find common ground, to put it as simply as I can. In the absence of that structure or forum people always tend to assume the worst about the other. My fear is that, where we are now—we have heard about the Shi'a-Sunni and Arab-Persian concerns, and you can cut it so many ways—in this charged environment, not being able to talk to the other side, look them in the eye and understand their concerns more fully creates the instability and insecurity that we now experience.

If we could find any way that could begin with the Helsinki process of “Well, let's sit down and talk about our differences; what are our mutual concerns and what are your interests?” that would be the beginning. Sadly, though, the dominant player in the region, the United States, at present does not have that on top of its agenda. If the talks over Iraq and in Iraq go well next week that may provide the means, but to go back to what I said earlier—and I know the Chairman is pressing me to stop—the European Union can play a role here, because it can lend itself as a model for a regional forum for talks.

In the region we jump when there is a meeting about Iraq and everyone meets around that, and then people move on. There is no continuity. Over Palestine we had the Madrid conference of 1991. Look at us now in 2007; we still have not even mentioned the road map once today. There is a good reason for that, because it is practically non-existent. A forum that can bring the disparate and wide range of issues to the table would also force adversaries to begin to appreciate the other side; Iran would have to recognise some of Israel's concerns.

Chairman: Professor Ehteshami and Dr. Ansari, thank you both extremely much; it was a very useful sitting of the Committee for us, and when we visit the region in the next few weeks we will be aware of more of the complexities than we would otherwise have been.

Mr. Purchase: Whether we understand them is another matter.

Prof. Ehteshami: Thank you for having us.

Wednesday 14 March 2007

Members present:

Mike Gapes (Chairman)

Mr Fabian Hamilton
Mr David Heathcoat-Amory
Mr John Horam
Mr Eric Illsley
Mr Paul Keetch

Andrew Mackinlay
Mr Malcolm Moss
Mr Greg Pope
Sir John Stanley
Richard Younger-Ross

Witnesses: **Dr. Kim Howells MP**, Minister of State for the Middle East, **Simon McDonald CMG**, Director, Iraq, and **Dr. Peter Gooderham**, Director, Middle East and North Africa, Foreign and Commonwealth Office, gave evidence.

Q131 Chairman: Good afternoon, Kim, and your colleagues. We know you all very well. Some of you have been here very recently, and we remember a useful session that we had with you during the recess last year.

Let me begin by asking some questions about the current situation in the Palestinian Authority. When do you expect our Government to be able to make a decision on whether to engage with the national unity Government? In that context, Dr. Gooderham told us that the Government were reflecting on the situation and would wait and see. He said that it depended upon the Quartet's policy at that time. Does the Palestinian Government's programme need to simply reflect the Quartet's principles, or should it explicitly meet those principles before we engage with them?

Dr. Howells: Thank you, Mr. Gapes. It is a pleasure to be here again. There were two big, substantive questions there. One I can answer very easily by saying that we are waiting for the Government to be presented, both within the Palestinian Authority and internationally. There has been lots of speculation about how that Government will be made up and who will be in it, and we have certainly maintained our "wait and see" position, because we do not want to commit ourselves until we see what is there. That is the policy that President Mahmoud Abbas wants us to continue, and we have complied with that. How others in the Quartet will see it is another matter, but that is our position.

Whether those involved will have moved forward in the sense that Jack Straw said they ought to so that we could discern the "direction of travel", as I think he put it, remains to be seen. We very much hope that they will. At the moment it is a bit of a big dipper: one moment it looks as though they are heading that way, but the next they seem to be rejecting it almost entirely. "Wait and see" is the short answer to your question.

Q132 Chairman: But on my other question, there is clearly a difference within the Quartet. The Russians have taken different positions already. How confident are you that the Quartet will hold its unity if the programme of the Palestinian Government does not explicitly meet its requirements?

Dr. Howells: I will let Simon and Peter come in in a minute, but from my own knowledge of what has been said at Quartet meetings, I am pretty confident that the Quartet will hold together, if only because there is no other show in town at the moment. Of course, we very much hope that it will. We think that it is the proper basis, if not the only basis, for moving forward towards a better Middle East peace process than we currently have, so we are very much in favour of maintaining that unity.

Dr. Gooderham: I think that that is right. I presume, Chairman, that you are referring to Russia as the member of the Quartet that has had contact with Hamas, including quite recently. It has consistently signed up to the Quartet statements relating to the formation of a Palestinian Government, and as far as we understand it accepts the proposition that the international community should wait and see the shape of the new Government and how they are comprised, and give them an opportunity to demonstrate through their actions what their platform comprises. That is our understanding of what all members of the Quartet have agreed to.

Q133 Chairman: How important is the Mecca agreement between Hamas and Fatah? Could there not be a problem if we, the Quartet, regard the new Government as not going far enough but at the same time President Abbas is tied to, and wishes to maintain, the principles of the Mecca agreement?

Dr. Howells: Yes, I think that that is a fair description of the dilemma that we would find ourselves in if we could not see that any moves had been made towards recognising the Quartet principles. We welcome very much the Saudi Arabian brokering of the Mecca deal, and on the other hand we recognise the worries that the Americans and the Israelis have about it. There has been a general welcome within the Middle East for the deal, and it is a very significant step forward. It is important, for example, that we do not let the gloomy clouds obliterate the fact that there is relative peace at the moment in Gaza. That is a very important step forward and I think that the continuing ceasefire between Fatah and Hamas is a consequence of that arrangement.

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Q134 Chairman: Can I put it to you that that ceasefire and the agreement in Mecca have only come about because the Saudis—you have referred specifically to the Saudi Government and have been positive about their role—have been prepared to engage not only with Fatah but with Hamas? That agreement would not have been possible without the Saudi engagement with Hamas. Is there a contradiction between supporting what the Saudis are doing to get progress while holding back from our own engagement to facilitate progress in other areas because we have a policy of no contact with Hamas?

Dr. Howells: I think, Mr. Gapes, it might be stating the obvious to say that we are not the Saudi Government or the Saudis. They have a different standing in the Middle East from ours and a different attitude towards this problem. We are glad to see that they have taken on this new diplomatic initiative. They are very energetic. We have asked them for a long time to take a more energetic role in trying to help the peace process along, and they are doing it at the moment. Our political objectives might ultimately be the same as theirs—two stable states living alongside each other—but we have a different way of coming at it. We are glad to see that the Saudis have taken this initiative.

Q135 Richard Younger-Ross: One of the Quartet difficulties is that Hamas should recognise Israel. Can you explore what you would accept as recognition by Hamas of Israel? Is it explicit or can it be implicit?

Dr. Howells: Well, I would certainly like to be explicit, of course, but I am sure that in the world of diplomacy there will be implicit recognitions that, although it might sound like a contradiction, the rest of the world can recognise. When that judgment is reached is a moot point. It has to be recognised by the Israelis; they have to believe that whatever Hamas says means that Hamas recognises the right of Israel to exist. Hamas has said lots of contradictory things up until now. When I was in Ramallah in the autumn, Mahmoud Abbas told me that he thought that there were three Hamases: a kind of provisional Hamas in Gaza, which was saying one thing and behaving in a certain way; people on the West Bank who had been elected to represent the Palestinian people, who were saying something else; and hard-line elements in Damascus, who were saying something completely different. I do not think that it is a simple situation at all. In so many ways, they have to resolve those differences.

Q136 Richard Younger-Ross: You said that this has to be acceptable to Israel. Are you saying that Israel has a veto over the Quartet's policy on this point?

Dr. Howells: Certainly not, but we cannot force Israel to recognise a meaning that we might put on the words or anything that Hamas might want to say.

Q137 Richard Younger-Ross: We have a position where the Iranian President has called for the destruction of Israel. Most Arab states do not

recognise Israel, but we talk to them, negotiate with them and provide them with aid. We are asking Hamas to build up further than those other states.

Dr. Howells: No, I do not think that that is true. You are quite right about the public statements of most of the states in the Middle East. I sometimes find it frustrating when I am out there to talk to states, because they will say things to you privately that they would never say publicly. They recognise that Israel has the right to exist, and they certainly do not call for Israel's obliteration, as Ahmadinejad has called for it. In a sense, that comes back to your original question about how we interpret the way in which Governments in the Middle East interpret their relationship with Israel. It is not an easy thing to judge.

Dr. Gooderham: I would draw a distinction between recognising the right of Israel to exist, which is what the Quartet principle is about, and recognising Israel in a diplomatic sense—in other words, having an embassy, an ambassador and so on in Tel Aviv. Virtually every Arabic Government recognises the right of Israel to exist. They accept the proposition that the solution to this conflict is a two-state solution. It is really only Iran and Libya that still do not accept the two-state solution. Therefore, I think that there is a distinction. Hamas has not yet graduated to the first of those two propositions, let alone the second.

Q138 Richard Younger-Ross: We talk to Iran and Syria.

Dr. Howells: We have diplomatic discussions consistently. We have an embassy in Tehran and one in Damascus and we talk to them. Very recently, the Prime Minister's foreign affairs adviser went out to Damascus to speak to the Syrian President.

Q139 Richard Younger-Ross: Moving on, the PLO, not Hamas, is charged with representing the Palestinians in the peace talks. Why does the international community not engage with Hamas, if not in peace talks, at least in talks about peace?

Dr. Howells: You mean why do we choose to speak to Fatah or to the PLO rather than Hamas? Fatah or the PLO's policy is to live in peaceful co-existence with Israel. That is why we talk to them. That is not Hamas' position. For example, until very recently, it has been—I do not know whether it is at this very moment—funding suicide bombers who have been murdering innocent Israelis. We do not think that that is an organisation with which we can have those kinds of discussions.

Q140 Richard Younger-Ross: I seem to remember that that was not Fatah's position when we both started in politics a long time ago.

Dr. Howells: Well, Fatah has changed. We all change, don't we? Or we should.

Q141 Richard Younger-Ross: Which is perhaps why we need to engage with it.

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Finally, Khaled Meshal, the political leader of Hamas, recently visited Russia, even though the Quartet's principles have not been met. Is that likely to undermine the Quartet's position?

Dr. Howells: I do not think that that will undermine the Quartet's position, but I cannot answer for Russia. The Committee will have to try to get Mr. Lavrov here or someone else. Russia makes those kinds of decisions itself. Since that visit, it seems determined to remain part of the Quartet and to subscribe to its joint statements.

Richard Younger-Ross: We may get a chance to talk to him later this year.

Dr. Howells: Very good.

Q142 Mr. Illsley: May I ask a few questions about the financial situation regarding the Palestinians? If the Quartet decides not to give financial support to the national unity Government, will the UK encourage the European Union to continue the temporary mechanism until an acceptable Government are in place?

Dr. Howells: Yes, I believe that we would. The situation would have to be very different from the current one for the Quartet to say that there should not be financial assistance for the Palestinians. As you know, in the financial year 2006-7, the European Union and the UK gave more money to the Palestinians than ever before.

Q143 Mr. Illsley: What were the goals of the UK's financial and diplomatic boycott of the Palestinian authority? Did we make any progress with what we sought to achieve with that boycott?

Dr. Howells: I think that we made progress. Pressure has been put on Hamas to understand that it can be elected by a democratic process. We have acknowledged that that was a proper democratic process and that it won that free and fair election. However, responsibility comes with that. It has to recognise that Governments have no automatic duty to pay money into organisations that support, for example, suicide bombers. I would find it very difficult to explain to the House of Commons why we were giving hundreds of millions of pounds to Hamas, when at the same time, they were using it to fund the families of suicide bombers. That is not a viable position.

Q144 Mr. Illsley: Given that the incoming Finance Minister of the Palestinian Government has said that the financial system is in a complete mess, if the Government decide to resume aid directly to the Palestinian Authority, how will we guarantee that the money will be used as is intended?

Dr. Howells: There are some very stringent financial monitoring arrangements in place that are associated with the temporary international mechanism or TIM. One of the upshots of that has been a report—by Oxfam, I think. It said that bank charges are too high in the way that that money has been handled. They are high because there are five

separate security checks on who receives the money to make sure that it does not go into the hands of terrorists or groups that fund terrorists.

I am pretty confident that those substantial sums—more than €600 million this year, for example—are going to organisations that are not funding terrorism and, almost as importantly, that are not corrupt. I saw one of the most shocking things that I have seen when I went to Ramallah for the first time in 13 years. It had a new outskirt, which consisted of luxury apartments. When I asked who had paid for them—everybody had told me before I went that the Palestinian economy had collapsed—I was told that they had been built by Fatah members from the kickbacks given by the Fatah leadership. I must say that they were a very dismal sight.

Q145 Mr. Heathcoat-Amory: Can I again ask you about contacts with Hamas? Last month, the Prime Minister said that he wanted to advance this issue and would contemplate discussions “even with the more sensible elements of Hamas”. The Russians have spoken to Hamas, and it appears that we would contemplate doing so, if only to elements within the organisation. Have any such discussions taken place?

Dr. Howells: Not that I know of. Peter, do you know of any discussions?

Dr. Gooderham: No, we have had no discussions with Hamas.

Q146 Mr. Heathcoat-Amory: So we have not taken forward the Prime Minister's initiative. Why is that?

Dr. Howells: As I interpret the Prime Minister's analysis, those elements within Hamas would have to be part of the national unity Government and subscribe to a general statement by that Government that would go some way at least towards the Quartet's principles. If that happened, we could contemplate talking to Hamas.

Q147 Mr. Heathcoat-Amory: Joining a unity Government and, do I also infer, recognising, although not diplomatically recognising, the right of Israel to exist? Would that be an adequate step?

Dr. Howells: Yes; if we believed that Hamas had made that very big step, we would have to look very seriously at talking to Hamas.

Q148 Mr. Heathcoat-Amory: Thank you; that is helpful.

Can I ask you about the slightly wider issue of the standing of British diplomacy and reputation in the Middle East, particularly the Arab world? It has been said to us in evidence sessions that great damage was done in the Arab world by our refusal to call for a ceasefire early on in the Lebanon conflict last year. Do you now regret the position that the Government took and do you think that it has damaged our standing and therefore our standing as a peacemaker?

Dr. Howells: No, I certainly do not regret it. We were in a position where we tried very energetically to get a cessation of violence that would mean that the warring factions would not have or use the

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opportunity to rearm and start fighting again a short while later. That was my biggest concern when I went there in the middle of the war in July. It seemed obvious to me that unless we could get all the players to agree that there ought to be a proper settlement, and the sovereignty of the Siniora Government—the democratically elected Government for the whole of Lebanon—was seen to be real, we would simply be allowing both Hezbollah and the Israelis to rearm and to start fighting again only a short time later. The very fact that the arrangement that was arrived at has held is quite an achievement.

Q149 Mr. Heathcoat-Amory: But the delayed ceasefire was seen at the time as giving Israel an opportunity to do its business in Lebanon before a ceasefire. The outcome was completely the opposite, but that must have undermined our credibility. It was known to be the American position, and we backed President Bush very strongly, almost instinctively. That must undermine our status as an independent force, willing to mediate between the factions. Do you agree, in retrospect, that that damaged our reputation and that we are now seen to be part of the American position on the Middle East?

Dr. Howells: No. I hate to disagree with you, but I do not think that that is true. I spend a lot of time in the Gulf at the moment, and I shall be interested to know what impression you come back with at the end of your trip out there. I do not pick that up at all. I think that there is a great deal of respect for Britain's position. It is recognised that we worked very hard to try to get the United Nations and all of the players in the Middle East on side to achieve a permanent ceasefire in Lebanon, and they have been very supportive of our subsequent position in trying to ensure that UNIFIL was properly expanded and deployed properly across Lebanon. I do not pick up the sense that people do not want to talk to us as much as they did previously as a consequence of what happened in Lebanon.

Q150 Mr. Keetch: So what sanction or penalty have we imposed on the state of Israel in the past five years?

Dr. Howells: I am not sure. I take it that you are implying that we ought to be putting some sort of sanction on the state of Israel.

Mr. Keetch: Yes.

Dr. Howells: Well, I am not sure that that would help in any shape or form.

Q151 Mr. Keetch: We will not talk to Hamas on the one side, we are cutting off aid to the Palestinians on the other—

Dr. Howells: No, we are not cutting off aid. We have given more aid than ever.

Q152 Mr. Keetch: We appear all the time to be punishing and putting sanctions on one side of the argument, yet on the other side there is the state of Israel. Phase one of the road map requires Israel to halt settlement expansion and dismantle illegal outposts. Israel has not done any of that. You have

been very vociferous in complaining about that, but what have we done to punish Israel or to persuade or cajole it into meeting its side of the road map? We allow Israel to continue bombing the Lebanese, we do not call for an early ceasefire, we do not talk to elected politicians. Where is the balance?

Dr. Howells: You used the expression “persuade or cajole”. We certainly try to do that—we do it all the time, especially on the question of the expansion of settlements, the continuation of illegal settlements and the route of the barrier. We protest about that constantly, and argue that it is having a very bad effect on the peace process, especially in—this is what it is called, although I do not know whether it actually exists—the Arab street. It is very important that we should try to engage Israel on those issues. However, I cannot see what good putting a set of sanctions on Israel would do to our attempts to build a peace process.

Q153 Mr. Keetch: Only in that there is a widespread view in the Arab street, as you called it. We have all been there many times in the past few years and we are going again. A widespread view in the Arab street—if I may follow the lines of Mr. Heathcoat-Amory—is that we are simply doing what the Americans tell us to. The Israelis do whatever they want to do, but we do not consider sanctions and we still keep up a dialogue, yet whatever the Palestinians, Lebanese and Syrians do, and whatever the Iranians say that they want to do, we still keep talking to the Israelis and never consider punishment for them. That seems to be an imbalance that is felt throughout that street. I think, as do many Committee members on this side of the table, that that imbalance does British diplomacy no good.

Dr. Howells: Well, I am not sure what good it would do to British diplomacy for us to start putting sanctions on Israel. We already consider very carefully any components that we may sell to the Israeli armed forces or security forces, for example. We are very careful about this. We do not treat Israel as we might treat another member of the European Union, or many other countries. We are very careful about the way in which we trade with Israel, and so on, and we are vociferous in our criticisms of the way in which we think that it has been breaking UN Security Council resolutions. Having said that, I have to reiterate that the object of the exercise is to try to get to a peace process that is going to bring real change there. If we take our eye off that ball, I do not think that we are ever going to get there. I would say that placing sanctions on Israel would do nothing to help that.

Q154 Mr. Keetch: But Israel does have a special EU trade relationship, which we as a Government support. There were suggestions that, during the crisis in Lebanon last summer, American arms were coming in through US bases in Britain.¹ Can you categorically tell the Committee that during that

¹ See Ev 59.

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crisis no arms for the use of the Israeli defence forces came in on US aircraft coming through British bases?

Dr. Howells: We are not aware of any arms coming in or going through British airspace. If they did, we do not know about that. We take a very dim view of special cargoes landing. We should have been notified and we were not notified. We looked at this matter thoroughly when it first arose and did not find any examples of this—certainly not under a Bush presidency.

Q155 Andrew Mackinlay: Following up my two colleagues' point, putting aside sanctions, which we have talked about, there seems to be an absence of admonishment when things go wrong. I can illustrate that by mentioning the footage that we saw on worldwide television of Israeli soldiers pushing a young adolescent in front of them when doing house raids. Has the British Government flagged up any concern or admonishment regarding that incident? If not, why not? To what extent have we done so? This goes to the heart of the Arab street. It is not just a question of sanctions. We do not seem to condemn and deplore even that kind of apparent wrongdoing. I want to know, from you, to what extent we have done that.

Dr. Howells: We constantly remind the Israelis that we place human rights at the heart of our foreign policy. They know that. We try to convince them that we take a dim view of the abuse of human rights, in whatever form it takes—and sometimes it has taken the form of British citizens being shot in and around the West Bank. We take a very dim view of that and we urge the Israelis always to understand that those kinds of actions do nothing to enhance the reputation or the cause of Israel in the Middle East, or anywhere else, if it comes to that. However, I cannot give you an answer on that specific case, because I do not know if our ambassador has spoken to them. I have not spoken to them about this.

Q156 Andrew Mackinlay: I am grateful for your last point. Perhaps they could be told, because constituents raise such matters. It is not that far-fetched. Perhaps you could find out from the ambassador and let us know, please.

Dr. Howells: Yes, I will undertake to do that.²

Q157 Mr. Horam: The heart of the peace process in Palestine is still the road map, even though it is some four years old. As Mr. Keetch pointed out, we have not even got to stage 1. The Israelis have still not frozen settlement building and so forth, so we have not got that far. Yet at the same time, Condoleezza Rice is asking that the Israelis and President Abbas engage in what she calls endgame negotiations in order to provide some sort of political horizon for the Palestinians and an idea of what the state would look like. That seems a bit odd, frankly. We have not got to stage 1 of the road map, but we want Israelis and President Abbas to talk about the endgame. That seems rather peculiar diplomacy to us.

Dr. Howells: I can see that there is a lot of frustration, and I am going to give you my instinctive response. I do not know, and I have not spoken to Condoleezza Rice about why she has been using such language recently. Perhaps Peter could come in in a minute and say something about that. Whenever I have gone out and spoken to Palestinians or Israelis about this, I have not got the sense that there is a step-by-step approach. The rejection of such an approach is at its most extreme, I think, in Israel. I suspect that six or seven years ago, or maybe even 10 years ago, they decided that they would start to think about unilateral action as opposed to the process until then, which had been a case of saying "You do this, we'll do that" in a succession of steps. I suspect that the decision to build the barrier was the first unilateral step. Getting out of Gaza was probably the second, and I think that if Prime Minister Sharon had lived—he is dead, isn't he?

Simon McDonald: He is still alive, in Tel Hashomer hospital.

Mr. Keetch: It is an easy mistake to make.

Dr. Howells: It is, and I just made it.

The third step would probably have been an order saying, "You get west of the barrier and the wall, or you are on your own, mate" as far as the west bank was concerned. I know that Mahmoud Abbas was very upset about this. He saw the process as short-circuiting the recognised negotiating system that had existed until then. Although within Israel there was general applause, especially over the decision to get out of Gaza, it certainly was not shared by Fatah and the PLO.

The mood at the moment is one of saying, "Well, we know about the road map, but we don't know how you get to the end if you don't know what the end is". That has probably been provoked by the argument over the route of the barrier. It has become a burning issue that neither the Palestinians nor, apparently, the Israelis, can define where their frontiers are going to end up. That was always seen as part of the final negotiations. Instead it has been pushed to the forefront of the process in a way that makes people feel very frustrated. I suspect that what Condoleezza Rice is trying to do is recognise the high ground that she thinks everybody should aim to reach.

Q158 Mr. Horam: The shining city set on a hill, maybe?

Dr. Howells: It could well be. She is then trying to say, "Okay, we have got this mechanism, this vehicle for getting there"—the road map—"but we would like a clearer picture of what exactly we are trying to get to".

Q159 Mr. Horam: But here again, Israel is causing problems. As I understand it, the Prime Minister refuses to talk about any form of final status. That makes it difficult to outline what he envisages.

Dr. Howells: I think that you have put your finger on the big difficulty. I have tried to explain why I think she said what she said, but that is going to cause tensions within Israel and it is certainly causing

² See Ev 59.

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tensions within the Palestinian Authority. Simon was our ambassador, of course, and could perhaps tell you a bit more about this.

Simon McDonald: Where shall I start? One thing I should like to say at the beginning is that there is a presumption in what the Committee has said so far that Israel was to blame for what happened last summer. Okay, that may be the final conclusion, but we need to bear in mind how it started. It started with the kidnap of two Israeli soldiers from Israeli territory—Regev and Goldwasser—and the bombing with Katyusha rockets of northern Israeli towns. Israel reacted to that; the campaign went on a long time and most of the television pictures were, indeed, of what Israel was doing in southern Lebanon. That was undoubtedly going on, but all the time Hezbollah was attacking Israel by rocket fire from Lebanon.

The casualties were, of course, very unbalanced: about 140 Israelis died and more than 1,000 Lebanese. One reason for that was that more than 1 million Israeli citizens were spending every single night in bunkers—more than one sixth of their population. So Hezbollah was trying to kill Israelis throughout, but was less successful because of the action that the Israeli Government were able to take. You can conclude what you want, but you should bear in mind the actual start of that war and how it progressed.

Throughout that time, as the Minister says, I was ambassador and in touch with the Israeli Government about the proportionality of their response and about certain targets that they were going for. Several times, I woke up Prime Minister Olmert's chief of staff in the middle of the night because my colleague in Beirut was in touch, as something was happening and we wanted to protest about it. We thought that something needed to stop, and I said so to Mr. Yoram Turbowicz, who passed it on to Prime Minister Olmert.

Q160 Mr. Horam: Thank you very much for that, but it does not explain the relative reluctance of Israel to get involved either in what Condoleezza Rice is calling the endgame negotiations or, indeed, in getting to a clear stage of the road map.

Simon McDonald: On that, Israelis always point out that the very first line of the road map calls for a cessation of hostilities against Israel. So, if you say that it has not got started, their rejoinder is, "No, because the Palestinians have not done the very first thing that is required".

Q161 Mr. Horam: A fair point. Finally, can I tackle this from a different angle? I think that we are all pleased that the Saudi Government have got more involved in all of this—Mecca, and so forth—with their own plan, which I think they first aired in 2002. As I understand it, there will be a meeting later this month in Riyadh to discuss that Arab League initiative further. The difficulty over this, from Israel's point of view, is the right to return. That is the sticking point for them and if that was dropped—a big thing, but suppose it were dropped

none the less—would the Arab League proposals then be agreeable to the British Government and to the parties?

Dr. Gooderham: We already welcomed the Arab League initiative, even in 2002. We thought at the time—

Q162 Mr. Horam: Including a right of return?

Dr. Gooderham: It has always been understood that that was one issue that will have to be addressed in any final status settlement or negotiation. It would be for the parties themselves to determine how that principle should be applied. What has been interesting in recent days has been the signals that the Israeli Government have been sending about an apparent readiness on their part to look again at that initiative. Prime Minister Olmert quite recently said things in an interview suggesting that there were positive elements in the Beirut initiative, as it is known.

Therefore, there is obviously some speculation about what might happen at the Arab League summit in Riyadh later this month. To our knowledge, there is no plan to amend that initiative or to rewrite it in any way, but we would naturally hope that the Arab leaders gathering for that meeting would be ready to endorse it again and to reiterate their support.

Q163 Mr. Horam: What of that, if there is no possibility of its being accepted by Israel and they are not prepared to rewrite it?

Dr. Gooderham: I do not know that there is no possibility of it being accepted by Israel. The sense that we have is that there might be a greater readiness now on the part of the Israeli Government to look at the initiative. Clearly, that is not to suggest that they will swallow it whole, but they might be ready to recognise it as a significant document and initiative, and to recognise the desire on the part of a large number of Governments in the region to see a solution to the conflict and to be ready, as part of that solution, to recognise Israel in a diplomatic sense as well as an existential sense.

On the point about Condoleezza Rice and her initiative, I do not think that the US or anyone else is under any illusion. As Simon said, the first phase of the road map is still there and needs to be implemented. Frankly, neither side has implemented the first phase, but we continue to do what we can to encourage them to take the steps needed to get beyond the first stage. However, Condoleezza Rice's idea is that it ought to be possible, at the same time, to embark on a dialogue—she has been very careful with her terminology. She has not talked about negotiations and has avoided the term "final status". Instead, she has talked about a dialogue between the United States, Israel and the Palestinian President in order to establish the principles needed to underpin the so-called political horizon.

The thinking is that if they could get to that point, they would strengthen significantly President Abbas and what he stands for—the two-state solution. That would enable him to demonstrate to the Palestinian people that there is a prospect of a

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settlement of the conflict through a dialogue and subsequent negotiations. That is what Condoleezza Rice has been trying to do, and we applaud her for her efforts. We think that it is indeed worth while.

Q164 Mr. Hamilton: I am grateful to Mr. McDonald for at least correcting the balance and giving us some of the background. However, Minister, do you agree that the disengagement plan to which you referred earlier, and to which Ariel Sharon and his successor, Ehud Olmert, tried to stick—clearly, it is now dead—resulted from the Palestinians promising to respond to each concession given by the Israelis with a further concession and a move towards peace, but never delivering that? I am sure that Israelis have told you that. They would say, “Every time we had an agreement with the Palestinian Authority, we kept our side, but they did not keep theirs. That is why disengagement started.” I agree that disengagement was not a very helpful policy, and it has clearly now ended.

My other question concerns the road map. We would like the road map to work. Some would say that not only have we lost the map, but the vehicle has broken down completely. It never really got off the ground. It seems to me that the Beirut proposals from the Arab League and the Geneva accords, which were track 2 or behind-the-scenes negotiations—whatever you want to call them—between Yossi Beilin, Yasser Abed Rabbo and many other players on both sides, form a sounder basis for a final settlement. Why do the British Government not support or give more credence to the Geneva accords, even though they were quite unofficial and were not Government-to-Government?

Dr. Howells: If I can answer the last question first, I am not sure that we are trying to demean those efforts at all. We recognise their importance and have played a part in trying to widen discussions on the road map in order to incorporate those ideas and initiatives. I think that I said at the very beginning that we welcome the role that, for example, Saudi Arabia is now playing.

On disengagement, unilateralism and where they have come from, that is a very big question. When I have spoken to Israeli politicians, they certainly describe the failures of previous undertakings in the way that you did. What surprises me is that when I speak to Israeli academics, they describe it in those ways as well. I think that I told this Committee before about my surprise when I had dinner at an old left-wing kibbutz—I know that none of us is really left wing anymore—and was told reluctantly, “Well, life is a lot easier since we built the barrier.” It was depressing, in a way, because it meant that the old dreams about being able to live side by side, with Palestinians and Israelis working together, seems now to have been abandoned. If it has been abandoned unilaterally by the Israelis, I suspect also that it has grown out of the sense of disillusionment that Mr. Hamilton described, about the failure of previous undertakings. I do not think, by the way, that it is only on one side. I think that it is on two sides.

Q165 Mr. Hamilton: In the end, we all know what the final status will look like. A clear picture has been drawn by the Arab League, Geneva and many academics in Israel and the Palestinian territories of what the final settlement will look like. The problem is getting there from where we are. What more can we do?

Dr. Howells: I very much welcome our Prime Minister’s Los Angeles speech, in which he raised the issue and said, “Look, we’ve got to do much more about this.” I do not know about you, Mr. Hamilton, or about the experience of the Committee, but wherever I go, whether in Bangladesh or Mauritania, the issue comes up constantly. It has a kind of totemic significance way beyond its importance in terms of the size of the area, the population or anything else.

It is a cause that we must address, and I think that we have put a lot of energy into it since the Prime Minister made his speech in LA. The fact that he made it there was very important, as it was in America. It was a wake-up call to the American Administration that they hold the key in so many ways to being able to move the peace process forward, and that they should be doing more. I think that they are doing more now.

Q166 Sir John Stanley: Minister, is it the British Government’s policy that Israel should return to the pre-1967 borders?

Dr. Howells: Broadly it is, yes.

Q167 Sir John Stanley: Are the British Government exerting every possible pressure on the Israeli Government to try to achieve that?

Dr. Howells: I will give you an example. When Simon was the ambassador there, I went out to him on one of my visits and discovered that our embassy was the only embassy that was pressing the Israelis on consular issues generated by the route that the barrier had taken. Lots of other people say things, but they do very little about it.

Simon and his colleagues, on a day-to-day basis, were trying to handle cases, putting them to the Israelis and saying, “You are making life extremely difficult for our citizens and nationals who happen to be married, for example, to Palestinians. Imagine what you’re doing to the psyche of the Arab street,” to use that cliché again. It is something that we have pushed them very hard on.

It is made doubly difficult by the fact that the Israelis talk as well about the border being a legitimate one that they could live with. I do not hear that so often now, by the way. I think that they are pretty resolute about incorporating bits of land that are Palestinian in order to expand settlements or build a defensive wall around settlements that exist already. As your question implies, it is a complex issue, but one that we would return to time and again. We would say that yes, those are the proper borders and the ones that they should recognise.

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Q168 Sir John Stanley: Can you point to any specific step or agreement that the British Government have secured with other countries in the last year or so that endorses the principle that Israel should return to the pre-1967 borders?

Dr. Gooderham: The European Union regularly issues statements to that effect when Foreign Ministers meet to discuss the Middle East peace process.

Q169 Sir John Stanley: Yes, I am aware of discussions about the Middle East peace process but—no doubt you can help the Committee—I am not aware of specific initiatives in which Britain, along with the EU, has said that Israel must return to its pre-'67 borders, achieved in the last year or so. But I would be delighted to be helped if you can point to the relevant documentation.³

Q170 Mr. Moss: I want to follow up the debate we have just had and pick up on the Minister's definition of the barrier and the implications of one or two points that followed. The Israelis would say that, as a result of Sharon's decision and the party of Kadima and Olmert's success in the elections, which was supported by a significant majority in Israel, that it is a security fence. I have seen it; it is a huge wall in parts of Jerusalem and Bethlehem, but elsewhere it is a fairly small fence. The Israelis would argue that as a result of erecting that fence, the number of incidents involving suicide bombers has been reduced dramatically, therefore they support it for that reason, and that reason only.

From what the Minister was saying—I would like him to confirm it—can I take it that the British Government believe that by building that line or security fence, the Israelis have now predetermined their vision of where the border will be in the future? Or is it their view that the Israelis are still prepared to negotiate about a final border, and that the fence is in reality purely a security issue at this juncture?

Dr. Howells: The problem is that temporary structures can become very long-lasting ones. I find it all too easy to believe that once a fence or a barrier has been put up, the chances are that it will remain there for a very long time, and that is a hindrance to negotiations. We are not saying to the Israelis, "You shouldn't build a barrier or a fence." We are saying that it should be along the '67 borders, along that green line. That is where it should be; it should be on it or behind it. The incorporation of Palestinian land, as is recognised by the rest of the world, does nothing to enhance Israel's reputation as playing fair, and ultimately detracts from Israel's security, because it becomes a running sore for so much of the Arab world that another piece of land has been stolen, that something outside Bethlehem has gone or a part of east Jerusalem has been cut off from the West Bank. That is a very important issue not only for the Palestinians, but for a lot of Arabs around the world.

I can certainly understand why the Israelis have done it, but I would argue that the route they have chosen is not the right one. It contradicts and breaks the spirit and the rule of Security Council resolutions, and moreover it is probably an incentive, to some elements at least, to think of other ways of attacking Israel which perhaps we have not seen so far—Qassam rockets, for example. We are talking about a very small area; the distance from Jerusalem to the sea is nothing. When I first went to Israel you could see the Palestinian border when you landed on the aircraft; it was almost at the other end of the runway. The Israelis always felt very vulnerable when the border was there.

By the way, the fence is not a fence you or I might put up at the end of our gardens; it is very sophisticated.

Mr. Moss: I have seen it.

Dr. Howells: It is a very sophisticated fence. There are a lot of sensors and an access road that runs alongside it, which enables people to move very quickly if the security is broken on the fence.

Q171 Chairman: We have to move on. I want to ask you some questions about Egypt. First, may I ask for your assessment of how important Egypt is today in the Middle East peace process?

Dr. Howells: Egypt is as important as any country in the Middle East and more important than most. It has a very special relationship with Israel; it has direct access to Gaza, and it is a powerful spokesman for the Middle East. In all the meetings that I have been to as part of the EuroMed Barcelona process, Egypt has been the most vocal, if unofficial, spokesman for the Arab countries that are represented there. It is a very important country.

Q172 Chairman: President Mubarak has been in office for a long time. At the last election, in 2005, he was re-elected for his fifth six-year term. There were also parliamentary elections at that time. There seems to have been a step back from the hopes that people had that Egypt might be opening up. One academic has suggested that "There is no prospect of significant political reform in Egypt in the foreseeable future. It's dead in the water. Western efforts to shape reform in Egypt have been a fiasco." Would you agree with that?

Dr. Howells: I would agree with some of it, which might surprise you. Last December, President Mubarak announced constitutional amendments, some of which we could recognise as real steps forward towards a more democratic, open society. Some have been interpreted as a step backwards.

What is extraordinary about Egypt is that the most progressive elements among the chattering classes, or the political class, are very worried about the prospect of greater democracy. They are very worried about the distinct possibility that the extreme Islamic parties could make great progress if the elections were freer and fairer, and that the secular state of Egypt, as it exists at the moment, would come under great threat.

³ See Ev 59.

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Q173 Chairman: Is that partly as a reaction to the west, particularly the US? Is there a sense that the ordinary person in the Arab street is rejecting democracy as an imposed value and that changes are being forced from outside?

Dr. Howells: No, I do not get that impression at all. I think that the Egyptians are very keen on democracy and want more of it, but the political class has reservations about it. There are political classes all over the world that have reservations about extending democracy, as we have seen in the past couple of weeks. The implications of the debate about democracy in Egypt have to be recognised outside Egypt: the political class is worried that it could be handing over the reins of power to religious parties.

Chairman: We shall move on to some other countries in the region—Lebanon and Syria first of all.

Q174 Mr. Keetch: I suppose that there is no place for a democracy that produced a result that some people in the west were not be terribly happy with. I turn to Lebanon, particularly the appalling assassination of Rafik Hariri. The UN Security Council and the Lebanese Government have set up a special tribunal to investigate the death of the former President, following on from Security Council resolution 1664. There is a widespread rumour—let me put it like that; some of us are off to Lebanon and Syria in a few weeks—that Syria was somehow involved. There will be an attempt to understand exactly who was involved. If the tribunal discovers that Syria was directly involved, will we, as a permanent member of the Security Council, wish to do something about that? I hate to mention the word “sanctions” again—you may fear that I will want to impose sanctions on everybody—but if the fingerprints of the Syrian Administration are on that assassination, what would you seek to do about it?

Dr. Howells: I do not know what the status would be of those accused of murder, because that is what it was. You have only to go to Beirut and you can still see the hole in the ground where the former Prime Minister was blown up—along, by the way, with 20-odd other people.

Dr. Gooderham: Yes.

Dr. Howells: It was an horrendous murder. I have been told that it was one of the biggest ever peacetime explosions—if you know what I mean by peacetime in Beirut. It was a massive explosion. The tribunal was set up was because of the difficulty that the Siniora Government and their predecessor Government had in trying to conduct any kind of inquiry into the assassination, the murder, while Syria had such overweening power in Lebanon; to put it mildly, they were obstructive.

At the time, the international community believed that Syria's fingerprints were all over that assassination. We would not want to take any position on that before the tribunal completes its investigations, but it is important that the tribunal should be allowed to complete its investigations. What worries me, and it worries a lot of people, is that Hezbollah is probably implicated in the assassination; we do not know that for certain, but

there is a good chance that it was—or certainly some Hezbollah operatives, because they are very good at setting off roadside bombs and explosions, as our troops know only too well down in Basra. They decided to do their best to disrupt that investigation and to ensure that it came to nothing. That is at the heart of their attempts to destabilise the Siniora Government and to try, as they see it, to correct the imbalance of the Lebanese constitution, which gives them a certain proportion of seats in the Lebanese Parliament. There are some deep and dark forces at work here.

Q175 Mr. Keetch: Let me be quite clear. If the tribunal were to find conclusively that the fingerprints of Syria were on the assassination of the former Prime Minister, we as a permanent member of the Security Council might not press for but we would certainly be prepared to consider some form of action against the Syrian Government?

Dr. Howells: I am going to ask Peter if he can tell me what Security Council resolution 1595 lays down on what should happen to the guilty people.

Dr. Gooderham: It is important to remember that resolution 1595 established an international investigative commission. I guess that the commission has been at work for well over a year or perhaps 18 months. That is proceeding, and the investigative team's latest report is due to be made this week to the Security Council in New York. We are not expecting that it will deliver any bombshells; it will report steady progress, but it needs to continue the investigations. That is going ahead.

The idea for some time has been that, in addition, there would need to be a tribunal—a tribunal, as it were, that was owned by the Lebanese Government and therefore under Lebanese jurisdiction that would take receipt of whatever evidence and information the investigative commission has found once it concludes its investigation. That tribunal would then determine whether there were individuals who would need to be brought to justice. In the event that Syrian individuals were among those that the evidence had brought to light, the understanding is that they would need to stand trial and be brought to justice under the terms of the tribunal.

The difficulty is that the tribunal has yet to be established, because once the Lebanese Government had worked with the UN, taking advice from it on how best to set up the tribunal, and once the Government brought that agreement to a decision, certain members of the Government voiced their opposition to it and withdrew from the Government, and that is what precipitated the crisis.

Q176 Sir John Stanley: Is it not contradictory for the British Government constantly to seek to defend their interventions in the Middle East, particularly in Iraq, in terms of the expansion of democracy and at the same time, as in Lebanon, to refuse to have any dealings with those who are elected under the democratic process, such as Hezbollah's democratically elected MPs?

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Dr. Howells: In my trips to Lebanon—I am going out again shortly—I met the Foreign Minister, who is essentially Hezbollah, is he not?

Dr. Gooderham: He is linked to Hezbollah, but not actually a member.

Q177 Sir John Stanley: You did not meet anybody who was a Hezbollah MP, but only someone who was linked to it. As I understand it, that was a key Foreign Office distinction.

Dr. Howells: I think that you will find when you go there, Sir John—I am sure that you know it already—that definitions and parties are tenuous, to say the least.

Mr. Keetch: Look at the Lobby later and see.

Dr. Howells: It is a most extraordinary political arrangement out there, I think. To say that someone is clearly Hezbollah or Amal is not easy. I certainly have not met anyone who openly describes themselves as Hezbollah, but I was told in no uncertain terms by our embassy out there that “That guy is Hezbollah.”

Q178 Sir John Stanley: Should not the British Government be more honest than they are, if I may say so? Should they not state the reality behind their stance, which is that the British Government are in favour of democracy, but only providing that the people who are elected are acceptable to us? That is our position, and why should we not be honest enough to say that?

Dr. Howells: Because I do not think it is the truth. We talk to the Government of Prime Minister Siniora. We are good supporters of them. Frankly, any Government have to decide who they talk to when it comes to a Government composed like the Lebanese Government. I am not particularly keen to go and talk to someone who might be involved in undermining the democratic process in Lebanon. Hezbollah, as far as I am concerned, is a puppet organisation run and owned by the Iranians with the complicity of the Syrians. It did the Syrians’ business when the Syrians, like gangsters, were bleeding that country white while they occupied it. It is as if the American Government were speaking to Gerry Adams and not Margaret Thatcher at the height of the IRA troubles—

Richard Younger-Ross: They were.

Dr. Howells: They were not, as a matter of fact. Lots of people were, but they were not necessarily the American Government. It is perfectly acceptable for us to choose to speak to people who we consider are performing a constructive part in a democratically elected Government in Lebanon. I am not going to go out of my way to talk to people who are trying to subvert the democratic process so that they can enhance the standing and position of an extremist Islamist organisation that does not value democracy at all, as far as I can see.

Q179 Sir John Stanley: I have no difficulty with the refreshingly candid stance that you have given. That is similar to the policy that the British Government followed towards Sinn Féin before the real peace process started. To return to what I said at the

beginning, would it not be more candid for the rest of the British Government to follow in your footsteps, Minister, and to stop making tub-thumping, highly generalised claims that all our policies are justified in democratic terms, when our policy is—entirely defensibly, in my view—that we are only prepared to support some parties that are democratically elected, but not all and sundry? Would that not be the honest thing to say?

Dr. Howells: I hope, Sir John, that we are saying that. I have found myself in some very difficult circumstances. For example, at dinners at embassies around the world I have suddenly discovered that somebody happens to be sitting next to me who is from the respectable end of a death squad from somewhere. The ambassador has, with the best will in the world, invited that person along because he thinks that, under the new democracy, they will become the new Government. Well, yes, that is great. I am sure that we should be talking to such people at some point, but I do not want to talk to them.

Chairman: I would be interested to know what the diplomatic reaction is to that remark.

Q180 Mr. Keetch: Do you want to write to us on that?

Dr. Howells: I certainly do not.

Q181 Mr. Moss: Would the Minister agree that there are a considerable number of external actors in the Lebanese crisis? Are those external players helpful or unhelpful?

Dr. Howells: They are very unhelpful, Mr. Moss. We are extremely worried about the continuing role of Syria and Iran, and the Ahmadinejad Government—particularly the way in which they have rearmed. Hezbollah is not rearming and from our intelligence it seems to be back to the pre-war levels as far as rockets and other weapons are concerned. They have come across the Syrian border and we have called upon the Syrians many times to police that border properly and, if anything, the Syrians have done the opposite and have threatened retaliatory action if there is a serious attempt made at policing it. That is a serious situation and is a real violation of the sovereignty of Lebanon and its Government.

Q182 Mr. Moss: Is our intelligence accurate on that particular facet?

Dr. Howells: Obviously, we cannot comment on that in detail.

Q183 Mr. Moss: Every time I ask a question you do not answer it. We are going there in a week’s time.

Dr. Howells: We are pretty confident about our intelligence. It will be interesting to see what you find when you go there.

Q184 Mr. Moss: We will not be looking for weapons, I can assure you.

Dr. Howells: The problem, Mr. Moss, is that one of the most disturbing things that I found when I was there was that Hezbollah is completely ruthless

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about where it positions its weapons, rockets or mortars. A picture may be taken of every child that is killed as a consequence of those weapons and sent around the world. During the times I have been to Basra, where I have seen Hezbollah tactics being used successfully, I have noticed that rockets are fired out of Shi'a flats and are aimed at killing our soldiers in the Basra palace compound and other places such as the Basra air station. Those firing at our soldiers know damn well that, unlike some people, we do not send up helicopters and strafe the entire area or bomb it in the hope that we might hit some of those teams. We do other things, but we believe that every time a civilian is killed under those circumstances, 10 more enemies have probably been created. Such a tactic is a Hezbollah tactic, which from its point of view has been very successful. It does not care how many Lebanese or Palestinians die as long as it looks like the great heroes of resistance against Israel.

Q185 Mr. Moss: Under the UN resolution, the UN force is supposed to be disarming Hezbollah or at least preventing a build-up of armaments in the southern zone. Is that happening to your knowledge? Are they doing that job? Also, are the newspaper reports correct that Hezbollah is digging in north of the Litani river, which is its next fall-back position from the border?

Dr. Howells: We are depending on you to come back with that intelligence, Mr. Moss. We are very worried about that as Hezbollah seems to be preparing for another war.

Q186 Mr. Moss: My final point is that Arab, European and American diplomats have been told that some of the money going into Lebanon for the Siniora Government is being hived off, particularly by Sunni or al-Qaeda backed units. Do you have any information on that? Is that accurate?

Dr. Howells: I do not have any information on that.

Dr. Gooderham: Certainly we are very confident that the money that the British Government have provided to the Lebanese Government has been properly disposed of and is properly accounted for. Rigorous systems are in place.

Q187 Mr. Moss: So there is no evidence of arming Sunni groups to counter perhaps the Shi'a Hezbollah?

Dr. Gooderham: Not as a result of international assistance provided to the Lebanese Government, no.

Q188 Mr. Moss: But otherwise there might be?

Dr. Gooderham: Again, we have no evidence of that.

Dr. Howells: There is a lot of money slopping around there, Mr. Moss, as I think you will find when you go out there. Across the whole region there are sources of money that everyone knows are available for arming militias and groups. That is from Waziristan and right across the Middle East.

Q189 Mr. Illsley: I turn to a more benign area, Dr. Howells—that of Jordan. This Committee hosted a meeting back in November last year, when King Abdullah made a speech to both Houses and spoke of his fear of being surrounded by civil war in three separate territories—Iraq, Lebanon and Palestine. On 8 March, he spoke to Congress and suggested that the resolution of the Israel-Palestine situation was perhaps more important than resolving the Iraqi situation. Is Jordan an important player in the peace process? If so, how important is it? Does Jordan have a role in resolving any of these crises?

Dr. Howells: That is a good question. I have no doubt whatsoever that Jordan is a very important player. It is also a country that has taken in a huge number of refugees from Iraq, and is still taking them in—probably 700,000 of them. It is not a rich country; its economy is vulnerable, and it plays an important role in terms of being a kind of prime interlocutor both for the rest of the Arab world and for Israel and Palestine. Some 1.8 million Palestinians live there, which I think is about half the population.

Dr. Gooderham: More than half.

Dr. Howells: So it is more than half the population of Jordan. It often has to walk on eggshells, diplomatically speaking. It is also a key player in counter-terrorism in general. It suffered badly from the attentions of al-Qaeda and of Zarqawi who, before he was killed, planned and carried out the dreadful bombing of the three hotels on that wedding day.

Q190 Mr. Illsley: It is interesting that when King Abdullah was speaking in the United States on 8 March, he spoke to Congress about the involvement of the international community in moving forward. I seem to recall that we were here four years ago, just before the Americans moved into an election phase, and the chances were that there would be little international action in the run-up to the elections. The next elections will begin perhaps later this year or early next year. Do you share that concern—that there could be a period of substantial inactivity on the part of the United States in the run-up to the forthcoming elections?

Dr. Howells: I hope not. We need the United States to be very heavily involved, not least because it has such a powerful economy and because it is the most powerful nation militarily. Everybody wants it to be involved, and I was very glad that King Abdullah chose to speak to Congress. It was an important move on his part, and I hope that the American political Administration has taken his message on board.

Q191 Mr. Hamilton: Can I move on to talk about Iran? It is an increasingly important player in the region. I wonder whether you would comment on some of the points that we heard last week when we took evidence from both Professor Anoush Ehteshami and Dr. Ali Ansari, both academics. Professor Ehteshami told us that “Iran sees Britain much less as a European Union power than as a

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transatlantic actor”, and that is “what causes Tehran to give weight to Britain’s voice internationally.”

As far as international engagement with Iran on the nuclear issue and regional security concerns is concerned, Dr. Ansari said “that the Iranians see everything in a holistic way. I do not think that they separate those issues . . . The tendency of western analysts to categorise and compartmentalise things does not work” in Iran.

We are a key interlocutor with Iran on the nuclear issue. Given the interrelation between the nuclear issue and regional security, how do we see our diplomacy with Iran reflecting that interrelation? In other words, how can we separate the two?

Dr. Howells: I will preface my attempt at an answer by saying that wherever you go in the world, and certainly wherever you go in the Middle East, everybody tells you that the best diplomats are Iranian. By the best, they mean the trickiest.

Q192 Mr. Keetch: Is that what a good diplomat is?

Dr. Howells: They have at least a 3,000 year history of doing that. Was it Brad Pitt who stopped them in their tracks in a film the other day? I cannot remember now, but they have a got a very long history and occupy a very important place in the Middle East. They are probably, along with Turkey, one of the emerging great powers in that area. We have got to understand that. They do not consider themselves to be Arab, and they resent the notion of being lumped in with the whole of the Middle East—I have heard that from them first hand.

Iranians are very proud of their history and if you do not understand that history, you will not understand them. They do not think that we respect them enough. When I spoke in Vienna with Dr. el-Baradei recently, for example, he said that the Iranians have a thirst for knowledge. His explanation of why it is such a ramshackle economy and such a poor country is because they have been stymied by a series of largely self-induced, but sometimes externally induced disasters. He is probably right—Iran should be much wealthier than it is. It should be a country identified with, if you like, the causes of modernisation and globalisation. They certainly see themselves in that context, but they act very differently. For example, the whole business of how they enrich uranium hexafluoride and use centrifugal cascades—a very difficult technology—is, in some ways, indicative of that attitude. They want to be seen as a country that is capable of handling this kind of engineering. They use the rhetoric of global warming at the moment. They say, “Sure, we have plenty of gas and oil, but we want nuclear energy because we want clean energy in the future.” It is a very interesting ploy.

Iranians probably do see us as being different from the rest of the EU. They certainly see us as a kind of bridge to the Americans. They have an incredible love-hate relationship with the Americans—and there is love as well as hate in it, by the way. If we forget that, we forget it at our peril. So, yes, I think

they probably do view us as a unique and independent entity—that does not mean that they like us much.

Q193 Mr. Hamilton: Shame, they ought to. If my statistics are correct, I believe that their economy has shrunk by 30% since 1979, which would be unthinkable in UK terms. I am told that one of the causes is that although they are sitting on a sea of oil and gas, they do not have any petrol refining plants. They can therefore export oil at a high price, but have to pay a higher price to re-import the refined product.

Finally, do you think that there can really be security and peace in the Middle East without engaging the active co-operation of Iran?

Dr. Howells: I think we can probably go a long way even if Iran remains as it is at the moment, although I do not think that Lebanon can go a long way. Iran is an increasingly disruptive influence inside Iraq—I choose the word “increasingly” intentionally, although it also has enough political nous to know that it has to get along with other neighbours, and it is trying to do just that. It has a kind of multi-pronged approach. Its relationship with the Afghanistan Government concerns us greatly, for example.

We have our own relationship with Iran on its eastern border, because we are keen to work with the Iranians to stop heroin coming into Europe. There are 3.5 million opium and heroin addicts in Iran, and the Iranians have been glad to co-operate with Britain to try to do something about stopping the big drug-smuggling gangs pushing their armed convoys across the eastern border.

The Iranian relationship with Russia is different from that with other members of the Quartet. After all, Russia is building a nuclear power station for the Iranians down at Bushehr and the Iranians are not about to endanger their relationship with Russia.

On the first part of your question, the economy is shambolic. Iran ought to be a much bigger oil and gas producer than it is. I think that the Iranians know—certainly the merchant class does—that unless they can start to forge better relationships with countries that ought to be their major trading partners, they will not get the investment that they need to rejuvenate the industrial base, which in turn is needed to pay for rebuilding of infrastructure. Iran is getting poorer, not richer, at a time when the price of oil is at unprecedentedly high levels.

The bit that always intrigues me about Iran is that we want it to be much more engaged, because western Europe needs Iranian gas very badly. We need to break the Russian monopoly on supplies of gas to western Europe. That is a pretty controversial statement to make, but the Russians need rivals. As long as there is an absence of effective sanctions that would drive Iran to the negotiating table, and as long as there are people who are prepared to dangle a bit of support to Iran now and then, the position of President Ahmadinejad and of the theocracy is strengthened, and as a consequence the country remains poor.

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Q194 Mr. Hamilton: Surely sanctions would have the same effect.

Dr. Howells: I think that strong sanctions would certainly drive the Iranian Government to negotiate more seriously than seems to be the case at the moment. The issue is a complex one, however. Who would be prepared to go along with sanctions, where would they come from, and who would make the decisions?

At least 300,000 and possibly 400,000 Iranians, many of whom comprise the merchant class of Iran, have moved to Dubai.

Q195 Mr. Hamilton: Four hundred thousand?

Dr. Howells: Yes indeed—they are a huge part of the Dubai population, and they are clever people. Iran is not North Korea. It is an ancient trading country with a sophisticated merchant class, and the members of that class are not about to see their profits completely squeezed down as a consequence of future sanctions—they want to be able to do business.

Chairman: Can we switch focus?

Q196 Sir John Stanley: May I turn to Iraq, Minister? I have with me the UNHCR figures from its publication on refugee global trends for 2003 and 2005. They show that the number of refugees originating from Iraq at the end of 2003 was estimated at 368,000. Two years later, at the end of 2005, that figure had risen to 1,785,000. In other words, there was an increase of 1.4 million in the number of refugees from Iraq in just two years flat. As we know, those refugees are basically those who were able to get out—who could afford to get out—and they represent in many cases the very capable, talented people whom Iraqi society needs.

Is not that an absolutely catastrophic humanitarian disaster, and not just for the individuals concerned? It is for them, because in most cases they have had to leave all their property and assets behind and they have come out with nothing, but is not it also an absolute disaster for Iraq itself? It flows directly from our regrettable failure to be able to provide internal security in that country. Can you hold out any prospects that that trend will be reversed, or is that now just pie in the sky?

Dr. Howells: I entirely agree with your analysis, Sir John. I think it is a disaster and it was largely a hidden one until very recently. Last week, I met the secretary-general of the International Committee of the Red Cross, and he described to me some of the most obvious implications of the huge movement of refugees. If they leave the country, they are going mainly into Jordan and Syria, in very large numbers. The international community is looking at how it can best support those people, but you are right to say that the cause is the lack of security inside Iraq. That is what must change.

Simon represented us, for example, at last Saturday's Iraq neighbours meeting in Baghdad, and we made it very clear that we considered that the provision of good security inside the country must be not on a sectarian basis but on an inclusive basis

and must look after every part of the Iraqi population. Can that be done? I do not think it is pie in the sky.

I understand that you have had discussions with leading Iraqi politicians over the past couple of days. We are watching carefully the result of the so-called surge in Baghdad. We know from our experience in Basra that the movement out of the city has stopped and we are seeing a return to Basra even of some Sunni families. I remember that about four months ago the Kuwaitis were very worried that they were receiving Sunni families into Kuwait, but now they tell me they are going back, although that is Basra. It is a city of 2.5 million people, or whatever it is. The situation is not the same in Baghdad, from where most of the refugees appear to originate, so it is an extremely serious problem, but there is no way around it really. The only way of countering it is to improve security within the country, and especially within the provinces of Baghdad and around Baghdad.

Q197 Sir John Stanley: You say that it is not pie in the sky to expect the humanitarian disaster to be reversed. Do you agree that we are dealing with a fearful combination of two quite separate factors that come together and produce the same result—refugees? We are dealing with religious fanaticism, which makes people leave because they are the wrong branch of the Muslim faith in the wrong area. Coupled with that is the second huge pressure, which is the force of naked criminality—gangsterism and the kidnapping of people for money. That is out of control also and it is coupled with huge, widespread corruption, so you cannot trust the police forces and you cannot trust the judicial system to provide you with the protection that we assume is in place in a country such as this. When you take those two factors together, do you still feel confident that the trend will be reversed?

Dr. Howells: Yes, Sir John, I think it will be reversed eventually. Iraq is not the only part of the world that faces these tremendous difficulties; they are most acute in Iraq at the moment, but they are by no means unique to it. I have been very concerned recently, for example, by Sri Lanka, where 1 million people are displaced and 60,000 people have died as a consequence of the war that is going on there. The fighting is going on now, and people were killed just up the road when I went there the other day. At its basis is a sectarian divide, and that sectarianism grows partly out of religion and partly out of the desire for land, and we have to find a way through that.

What I refuse to do is say that the problem is insoluble, because it is soluble. It is going to take a big push in Iraq, and ultimately the problem is going to be solved by the Iraqis themselves. Prime Minister al-Maliki and his Government have to take the question of sectarianism far more seriously than they have, and they have been told that openly, including by Simon, among others. You cannot have a police force that is infiltrated by Shi'a militias and becomes a death squad. When I was in Basra, the then police chief told me that half the murders there

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were committed by men wearing police uniforms, some of whom were policemen and some of whom had just got hold of police uniforms.

You are quite right to talk about criminality and gangsterism as part of the problem. They say that it is the same in Gaza, by the way: criminal elements there, as you will find when you go there, are responsible for a good part of the violence. We experienced the same in Belfast—very much so. Basra is a lot like Belfast was: people are making fortunes smuggling petrol and oil; they run protection rackets and extortion rackets, and criminality is an important element. The people of Iraq have suffered particularly. In Basra, somebody said to me, “We had only one thief three years ago. Now, we’ve got 3,000 thieves.”

The question of policing and law and order is of enormous importance, and it is one of the issues that we have addressed more seriously. We have been trying to persuade all our EU colleagues and everyone to pay more attention to it and to put more money and resources into training police and training and protecting judges. We have a huge problem because of the number of people who have been picked up by the Americans as a consequence of their search. We do not know how many there are—some people say 13,000 and some say 17,000—but they will need to be tried and either sent to jail or released. That means that we have to have many more judges than there are at the moment, and that requires a big training programme. I very much hope that our allies will help to pay for that.

Q198 Andrew Mackinlay: Following on from the refugee crisis in Iraq, to which Sir John referred, you will be aware that I take a particular interest in the Iranian exiles in Camp Ashraf. I do not want to keep raising the issue like a long-playing gramophone record with you, but I am concerned because I recognise that Iran clearly has to be a player in any possible solution on Iraq and the wider region. There is a danger that it will demand that the people of Camp Ashraf be surrendered to it and/or that their status as protected persons under the fourth Geneva protocol be abrogated. I am nervous that, albeit unintentionally, they could be made the Cossacks of our generation. I would like an assurance from you, Dr. Howells, that we will not abrogate the commitment, which has been reinforced by the United States command out there, that those people are protected persons and that that will endure.

Dr. Howells: We have no intention of abrogating any agreements about those people. The MEK is proscribed under the Terrorism Act 2000. Its self-imposed exile to Iraq in the 1970s and its support for Saddam Hussein, including during the Iran-Iraq war, means that it is not very popular inside Iran—not even among the Iranian opposition. To answer your question, we have no intention whatever of turning over anyone to the Iranian Government; we believe that they should be treated humanely and that their human rights should be protected, and I have every confidence that they will be. Some have gone back to Iran already, as you know.

Q199 Chairman: Finally, I want to ask some questions about the wider perspective and what is happening in the region as a whole. Do you believe that there is arc of extremism in the Middle East?

Dr. Howells: I believe that we have underestimated the power of ideas. There is a notion that if you can raise people’s standards of living or introduce models of western democracy, everything will ultimately be okay. I do not think that that is true. I think that some strands of Islam—some parts of Wahabi Islam, some parts of Deobandi Islam, or Islam in southern Asia—cannot be reconciled. They consider themselves to be what one author described as “God’s terrorists”. They believe that it is their duty to challenge those who do not agree with them and to say, “Join us or die.” That is a fair choice: that is how they see it.

It goes back a very long way. We lost two and a half armies in Afghanistan, and part of the reason for those defeats was that those who set up what is now the great Deobandi Islamic school of thought believed that they had a holy duty to kill Christians. Now, you try reconciling that.

Q200 Chairman: You are talking about Islam in the round. One point that I would make is that we have Shi’a Islam, and extremist groups within it such as Hezbollah, and linked to them the Iranians and the Sunni extremist groups that are killing Shi’as in Iraq and would do so elsewhere, as well as the power struggle between different Shi’a groups that we face in Basra. Is it not an oversimplification and therefore unhelpful to use generalist concepts like “arcs of extremism”?

Dr. Howells: Yes; I think it is unhelpful. It neither defines the problem nor does it help us come up with solutions. I have all kinds of meetings in this country and elsewhere as part of our Muslim outreach programme, and there is a great deal of resentment about the generalisations that we tend to indulge in. People want the respect of it being recognised that they have a vision of the world and a set of values that should not be smeared with the activities of fanatics and murderers.

Q201 Chairman: The Prime Minister said recently that he wanted to create an alliance of moderation against the arc of extremism. I am interested to know which countries you think are part of that alliance of moderation. For example, would it include Saudi Arabia? As your human rights report states, it has an appalling human rights record, but do you regard it as a moderate country?

Dr. Howells: I can only answer that by saying that what I understand the Prime Minister to mean when he talks of moderation includes stability. If you are asking me whether I think that that mode of Government or that set of beliefs is the right one, I would probably say that I do not, because I am a heart and soul democrat—and a first past the post man at that.

Q202 Andrew Mackinlay: And a member of the Flat Earth Society.

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Dr. Howells: I have to have it proved to me that the world is round—I am certainly a sceptic.

What I am saying is that one of the earlier questions was about Egypt and its worries about what the Muslim Brotherhood might do, for example. It was a real shock to me when I came into this job and went to Algeria for the first time. I could not understand the coolness and reluctance of the Algerians to embrace every idea that we had. Stupidly, I had not read about what had happened to Algeria since 1989. I had not realised that 160,000 Algerians had died at the hands of terrorists as a consequence of the Algerian Government's refusal to recognise the outcome of a democratic election and was not aware of the tactics that were used by some reprehensible people and some pretty awful groups.

Those lessons are not lost on the Middle East. They look at those examples very carefully and might say, "Give us the stability that we have now rather than move on." However, that cannot be accepted as a static position that will last for ever, because sometimes those countries are run by appalling fascist dictatorships like Saddam Hussein and his gangsters.

Q203 Richard Younger-Ross: I am pleased that you disagreed with the Prime Minister's use of the phrase "arc of extremism" on the BBC.

Dr. Howells: Did I disagree with it? Surely not.

Andrew Mackinlay: Only a few more weeks to go.

Dr. Howells: This man is a cynic.

Andrew Mackinlay: I am getting ready for office.

Q204 Richard Younger-Ross: Dr. Anoush Ehteshami told the Committee that a regional forum between all the countries in the Middle East, similar to that of the Helsinki process, could help to reduce regional tensions. Is that something you would agree with, and if so, is it something that has been discussed with your European colleagues? If it has not yet been discussed with your European colleagues, is it something that you might discuss with them?

Dr. Howells: I am going to bring Peter in on this in a minute, but I would like to tell you that the bane of diplomatic life is the proliferation of conferences and groupings.

Q205 Richard Younger-Ross: Tell us about it.

Dr. Howells: It is absolutely true. It has come to a point where one organisation has only to have the notion of an idea that a conference would be good, and suddenly you have a new grouping. I groan sometimes at that because it is a kind of fog that rises and gets in the way of addressing some of the most basic and simple questions. If you do not address those questions, you tend to stumble around diplomatically and internationally.

There are groupings in the Middle East at the moment—the Gulf Co-operation Council is the most obvious one, and the UN—that I would like to see play a much stronger role in all of this. We had to look to the UN where Lebanon was concerned. There was no one else around, really. There was talk

of NATO doing a job, but we looked to the UN to provide the lighthouse for everyone. I tend to suspect that there are enough organisations there.

I am glad to see that the Arab League is becoming more involved and that it seems to have reconciled its differences with some countries in the Middle East, and that Saudi Arabia has decided that it is a great force and should be a force for good in the area—diplomatically as well as in maintaining stability. Things are changing in the Middle East and I am encouraged by the fact that it is Middle Eastern countries themselves—Gulf countries—that are saying, "Look, this instability has gone on for long enough, as have the fears and worries that we have about sectarian divides and the influence they might have on our societies and economies". Such opinions have generated some positive action in the region, which is a good sign. Perhaps Peter could say something about the notion of a much wider body.

Dr. Gooderham: I think that is an idea that has been out there for quite a while and there are obviously parallels with the Organisation for Security and Co-operation in Europe, but there are also big differences in terms of those two regions. I agree with the Minister that there are existing organisations that we hope are already starting to play a significant role and we hope will go on to play a more significant role in their respective areas of responsibility. To go from where we are today to the creation of the kind of organisation that would cover a whole region is quite ambitious and we would need to take some steps before we get to that. However, as a long-term vision that could help to stabilise the region, an arrangement of that nature would clearly be beneficial.

Q206 Richard Younger-Ross: Dr. Anoush told the Committee that such an idea rang a bell in the sense that we are being told that the EU and Britain in particular could play a positive role. When I visited Jerusalem and Bethlehem, I recollect meeting an elderly Palestinian lady who said, "I'm glad that the British are here, because they created this mess." There is a will among some people to engage with us.

Dr. Howells: Iraq was created in one weekend in Cairo in 1921 by Winston Churchill.

Chairman: Before we go too far, I wish to get Eric Illsley in to ask a question that he should have asked but did not. It relates to Iraq.

Q207 Mr. Illsley: Are you in a position to tell us anything about the security conference that took place in Baghdad recently? Did any prospects arise from those talks—perhaps a future dialogue between the United States and Iran?

Simon McDonald: I attended the Iraq neighbours meeting on Saturday 10 March in Baghdad with Dominic Asquith, the ambassador. The meeting was an achievement for Foreign Minister Zebari, who has been trying to get Iraq's neighbours to come to Baghdad to discuss the range of issues that Iraq has had with them for some time. He finally succeeded last Saturday and got not only the neighbours but

14 March 2007 Dr. Kim Howells MP, Simon McDonald CMG and Dr. Peter Gooderham

key international organisations to attend, such as the Arab league, the UN, the Organisation of the Islamic Conference and the P5 of the UN.

There was a good discussion and all the neighbours said the right things about the importance of security and stability for Iraq and their role in that. They agreed to set up three working groups: one to focus on security, one on refugees and one on fuel imports. Membership will be confined to the neighbours group, but advice will be drawn in from others, including the United Nations. There is a real programme of work there. They also agreed that there should be meetings at a higher level, and we expect a meeting at ministerial level perhaps as early as next month.

As you have said, Mr. Illsley, there has been a lot of interest in the media about what was happening in the margins. At the end of the conference, the US ambassador, who was leading the US delegations, said that he had had businesslike, constructive and positive working relations with the Iranian and Syrian delegates across the conference table. He did not actually make direct contact with them, but the basis for that was laid. They were working in the same room, and in the margins of the margins there was more progress with the Syrians than with the Iranians. The Syrians indicated that they would be happy to talk and for the Americans to go to Damascus. They would prefer talks to be the whole agenda, but they would understand if the focus was specifically on Iraq in the first place.

Q208 Sir John Stanley: Some of the Committee were in Turkey in January, and we found real nervousness and anxiety among the Turkish Government about the degree of autonomy being sought by the Kurds in Iraq. Do you think that it will be possible to satisfy the Kurdish community in Iraq as to the amount of autonomy they have from the Iraqi Government, while avoiding serious destabilisation of the Kurdish areas of southern Turkey and perhaps triggering some very unwelcome responses by the Turkish Government?

Dr. Howells: That is an important question. When I was in Irbil, in Kurdish-administered Iraq, I noticed that the Kurdish Administration were very careful

always to describe themselves first as Iraqi and then as Kurds. The best proof of their intention to remain part of Iraq is the way in which they have melded the very good hydrocarbon law that they drafted in the Kurdish area with the hydrocarbon law that is being worked on in Baghdad for the whole of Iraq. Those involved have come together pretty well on that, which I take as an encouraging sign.

Interestingly, as we were trying to leave Irbil, members of the Administration were waiting for a delegation from Basra. I had been in the oilfields in Basra, talking to the people who worked in them, and they were very frustrated with the Baghdad Administration's inability to get investment into the oilfields of southern Iraq. I heard an exact echo in the Kurdish area, where there was frustration at the inability of the Government in Baghdad to understand and act on the requirements and aspirations of southern Iraq and the Kurdish area. However, I never heard anybody in either area talk about the break-up of Iraq. I found that encouraging. Everybody seemed to recognise that it is vital that the integrity of the borders remains and that Iraq continues as a country, rather than becoming two, three or four countries.

So I can understand your point. This has long been a problem for Turkey—I believe that it goes back to 1921 as well.

Simon McDonald: The Mosul agreement of 1926.

Dr. Howells: This is why the Foreign Office is the best in the world. I am much more confident about the country staying together than I am concerned about its breaking up, and that is good news for Turkey and indeed Iran and Syria, which have substantial Kurdish populations. However, that means the Baghdad Government must be inclusive. That is why everybody—Peter, Simon and everybody else—has been working so hard to convince Prime Minister al-Maliki that his prime task must be to have an inclusive Government, not a Government who in any way encourage sectarianism.

Chairman: On that note, I thank you, Minister, Dr. Gooderham and Mr. McDonald. This has been an extremely valuable session, and we have covered a lot of ground. As usual, we have had some frank and revealing answers, and we are very grateful.

Letter to the Clerk of the Committee from the Parliamentary Relations and Devolution Team, Foreign and Commonwealth Office

During Dr Howells' appearance before the Committee on 14 March, Mr Mackinlay asked him whether or not HMG had expressed their concerns over TV footage showing Israeli Defence Force (IDF) soldiers appearing to push young adolescents in front of them during their operations in Nablus on 8 March. The British Defence Attaché was scheduled to meet a high-ranking Israeli Officer at the Israeli Ministry of Defence on 21 March in order to raise our concerns about this. Unfortunately the meeting had to be postponed due to the illness of the key interlocutor. We understand that IDF Judge Advocate General Mandelblitt has in the meantime ordered an investigation.

During the evidence session Sir John Stanley asked what initiatives the UK or the EU have taken to press for Israel to return to its 1967 borders. Our position is consistent and in line with UN Security Council Resolutions 242, 338 and 1397. We, along with the EU, have repeatedly made it clear that we will not recognise any changes to the pre-1967 borders other than those agreed by both parties. The EU set out this

position most recently in the General Affairs and External Relations Council conclusions on 22 January (attached). The EU underlined this position at the seventh meeting of the EU-Israel Association Council on 5 March.

Dr Howells has also asked me to clarify his comments about US flights transiting UK airbases last summer. It was and remains UK policy to allow the transit of cargoes through UK airspace and airports provided that: (a) this does not breach international law and (b) UK procedures, including notification of cargo, are followed. The relevant procedures are laid down in the Air Navigation (Dangerous Goods) Regulations and the Diplomatic Flight Clearance Procedures. We are not aware of any flights which breached international law coming in or going through UK airspace or airbases during the Lebanon crisis.

However, at the beginning of the crisis we became aware of flights that had transited the UK from the US to Israel without following flight procedures fully. The Foreign Secretary raised the matter with the US to ensure they were fully aware of the rules with which contracted air carriers are required to comply. There were no subsequent breaches of the rules. There were, of course, US flights transiting the UK bound for Israel and elsewhere, which did follow all the relevant procedures.

23 March 2007

Written evidence

Letter from the Senlis Council

I write further to the Committee's Report titled *Foreign Policy Aspects of the War against Terrorism*, published on 2 July 2006, HC573, Session 2005–06, which makes reference to The Senlis Council's Afghan opium licensing proposal for the production of essential medicines (pp. 136–7, pars 381 and 382). In response to the Government's stated position on this proposal, I would like to bring some clarification to three important aspects of opium licensing, which may be of interest to the Committee members: the legal basis, the possibility for an effective integrated local control system, and the export route for an Afghan brand of humanitarian morphine.

A SOLID LEGAL BASIS FOR OPIUM LICENSING IN AFGHANISTAN

There is a clear basis in Afghan domestic law for the establishment of an opium licensing system in Afghanistan. The 2005 Afghan Counter Narcotics Law contains extensive provisions for the licensed cultivation of opium poppy (Chapter II, Art 5–6; Chapter III, Art 7–14). Tomorrow, without requiring any authorisation or notification, Afghanistan could start producing opium under a strict licensing system for its *own domestic use or for the domestic manufacture of morphine or codeine*.¹ This is the case regardless of whether the morphine or codeine is produced for *domestic use or export*. The implementation of such a scheme is now dependent solely on political will within and outside Afghanistan.

THE POSSIBILITY OF AN INTEGRATED OPIUM LICENSING CONTROL SYSTEM

Effective nationwide control would be crucial for a fully-functional poppy licensing system, but much doubt remains over the ability of the Afghan government to exercise such control—particularly outside Kabul. Comprehensive field research in the eastern Afghan province of Nangarhar, conducted for the Senlis Council in late 2005—early 2006, has confirmed the existence of strong social control structures such as the *shura* and the *jirga*; it is these native structures which would need to be mobilised to create an effective integrated opium licensing control system.² By maximising the aptitude of existing control structures at the community level and empowering rural communities, the proposed integrated system of control and governance for opium licensing would prevent diversion and strengthen a sense of local ownership.

A series of pilot schemes would underline the huge potential for effective mobilisation of local, informal governance structures and display how such mobilisation could contribute to a successful opium licensing control system. The Network of European Foundations, the Senlis Council's Donor Group, has allocated a special reserve budget for the launch and maintenance of pilot projects throughout Afghanistan.

AN AFGHAN BRAND OF HUMANITARIAN MORPHINE

Illicit opium is at the nexus of the reconstruction crisis in Afghanistan. However, it can also be used to manufacture widely-needed essential pain-killers. Hence, Afghan opium represents an interesting opportunity—an Afghan brand of humanitarian morphine could provide the export route for opium produced under license, and could supply morphine-based medicines to countries which face an acute shortage of essential painkillers. This would be possible under a preferential trade agreement, similar to the one already existing between the US and two traditional licensed opium suppliers, Turkey and India. This new preferential trade agreement would allow Afghan morphine to enter new markets with untapped pain relief (80% of the world population has little or no access to painkillers). By endorsing an Afghan morphine brand, the international community could signal its strong political will and commitment to finding an effective and pragmatic resolution to the illegal opium crisis in Afghanistan.

As recent events in Afghanistan have shown, bridging security and development is a daunting challenge facing the Karzai government. Opium licensing could be part of this wider effort, since it addresses many pertinent security and development issues: it addresses the problem at the root of the illicit opium economy; it allows the rule of law to reach rural communities reliant on opium like in Helmand; and it gives a working alternative to the impasse of poppy crop eradication. Overall, opium licensing could send a strong, positive signal to poor rural communities that their circumstances and needs are taken into account by the

¹ The United Nations Convention Regime, Professor Brice de Ruyver & Laurens Van Puyenbroeck, Institute for International Research on Criminal Policy, Ghent University, p 379–438 in *Feasibility Study on Opium Licensing in Afghanistan*, The Senlis Council, Kabul/London September 2005.

² Field Report on Integrated Social Control in Kama District, Eastern Afghanistan: Implications for the Licensed Cultivation of Poppy, Dr Ali Wardak, The Senlis Council, Kabul, April 2006.

Karzai government and the international community, thus creating better conditions for British troops on the ground.

I would be delighted to exchange views on our proposed opium licensing scheme and discuss how it could make a positive contribution to the reconstruction effort in Afghanistan.

Senlis Council

3 July 2006

**Letter to the Parliamentary Relations and Devolution Team, Foreign and Commonwealth Office,
from the Clerk of the Committee**

At its meeting yesterday, the Committee considered the Government's response to its Fourth Report of the current Session, *Foreign Policy Aspects of the War against Terrorism*.³ The Committee has asked me to write, requesting further information on several points.

Further to the response to recommendation 22, the Committee wishes to receive a progress report on implementation of the Agreement on Movement and Access. What steps has HMG been taking to achieve implementation of the Agreement?

Further to the response to recommendation 25, the Committee wishes to know what further progress has been made with training Iraqi security forces, including the Iraqi police, and what is the Government's current assessment of the ability of those forces to take responsibility for security in those areas in the South where security is currently provided by the British-led MNF.

Further to the response to recommendation 39, the Committee wishes to receive an update on the latest position with respect to the Iranian nuclear programme, and on what specific steps HMG has been taking to resolve the situation.

Further to the response to recommendation 48, the Committee wishes to receive a fuller statement of the Government's policy towards establishing a permanent section of the IAEA to deal with non-state actors and in particular, whether the Government is satisfied that sufficient funding is available for this aspect of the IAEA's work.

The Committee has also asked me to pursue a point arising from the letter from the Secretary of State to Mike Gapes of 7 September.⁴ Are all three phases of the deployment of the new UN force in Lebanon complete? What contribution has been made by the UK (a) to UNIFIL and (b) to training and/or equipping the Lebanese armed forces?

Steve Priestley
Clerk of the Committee

19 October 2006

**Letter to the Clerk of the Committee from the Parliamentary Relations and Devolution Team, Foreign and
Commonwealth Office**

Thank you for your letter 19 October. I hope this letter fully answers your questions.

Further to the response to recommendation 22, the Committee wishes to receive a progress report on implementation of the Agreement on Movement and Access. What steps has HMG been taking to achieve implementation of the Agreement?

After the Agreement on Movement and Access was signed on 15 November 2005 there was notable early progress on the Rafah crossing. On average 1,200 Palestinians a day were using the crossing into and out of Gaza, which opened nearly every day for around five hours. By 25 June, 280,000 people had used the crossing. It made a dramatic difference to the freedom of movement of Palestinians. Since the abduction of Corporal Shalit on 25 June, however, the crossing has been largely closed.

Progress on other sections of the agreement has been disappointing. The crossing points between Gaza and Israel have frequently been closed. The United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA) has reported an increase in the number of obstacles to movement within the West Bank

³ Cm 6905, Session 2005–06.

⁴ HC 1583-i, Session 2005–06 Ev 1.

during 2006. The convoys between Gaza and the West Bank that were envisaged in the Agreement have not been set up. Construction of the Gaza seaport has not commenced, and discussions on a Gaza airport have achieved little.

The UK continues to believe that the Agreement on Movement and Access should be fully implemented. We continue to encourage the parties to implement the agreement. The lack of further progress has been disappointing. This reflects the deterioration of the security situation, and the breakdown of communication between Israel and the Hamas-led Palestinian Authority government. Progress on these two issues could lead to progress on the implementation of the Agreement on Movement and Access. We continue to urge restraint on all sides and encourage the Hamas-led government to accept the three Principles set out by the Quartet as a way of resuming dialogue with Israel.

The UK has been closely involved with General Dayton's plans for the Kami crossing. The UK has seconded a military officer to General Dayton's team to advise on plans to improve security at Kami, to enable Palestinians to export their harvests through it. We fully support his plans and are looking at ways to provide further practical assistance in their implementation.

We have raised our concerns about the closure of the crossing points between Gaza and Israel with the Israeli Government. The EU demarched Israel about the Rafah crossing point on 13 September. At the General Affairs and External Relations Council, EU Foreign Ministers have concluded that the Agreement on Movement and Access should be implemented by both sides. The Quartet has also reiterated this call adding that Rafah and all other passages should remain open consistent with relevant agreements.

Further to the response to recommendation 25, the Committee wishes to know what further progress has been made with training Iraqi security forces, including the Iraqi police, and what is the Government's current assessment of the ability of those forces to take responsibility for security in those areas in the South where security is currently provided by the British-led MNF.

The development of a capable, legitimate and representative Iraqi Security Force remains a high priority for the Iraqi Government and the Multinational Forces. The Iraqi Army is now some 129,760 strong. Although many of the challenges outlined in our initial response remain, notably in the areas of intelligence, command and control, logistics and equipment, we judge that the Iraqi Army continues to make progress. The Iraqi Army's 10th Division, now numbering 11,558, has exceeded expectations in its involvement with the current Iraqi-led security operation in Basra, which began in late September. It is now taking the initiative in providing framework security for the reconstruction efforts being undertaken in parallel with the security operation.

The Iraqi Police Service (IPS) nationally numbers 128,008. Significant problems remain with the IPS in southern Iraq, as elsewhere in the country. These problems include infiltration by militias, and in some provinces, notably Basra, units of the IPS have been implicated in violent incidents. We are working with the Ministry of Interior to develop Iraqi capacity to bring corrupt and criminal policemen to justice, and have recently stepped up our training and mentoring effort to the police service in Basra. However, tackling the problem of militia influence over the police will be a long-term challenge for the Government of Iraq and its partners.

As we outlined in our reply to the FAC, the Joint Committee to Transfer Security Responsibility is the body that makes recommendations on the readiness of individual provinces or cities for transfer of lead responsibility for security from the MNF to the Iraqi local authorities. These recommendations are then put to the Iraqi Prime Minister for decision. The JCTSR is composed of representatives from the Iraqi Government, Multinational Force, and the US and UK Governments.

The JCTSR makes its recommendations on the basis of assessments of: the threat level; the Iraqi Security Forces' ability to take on the security task; the capacity of provincial bodies to govern effectively; and the posture and support available from Coalition Forces after the transfer of lead security responsibility. In August the JCTSR recommended that Dhi Qar province was ready to be handed over to Iraqi security forces responsibility and PM Maliki accepted this recommendation. The formal handover took place on 21 September. Maysan and Basra, the remaining provinces in MND SE where MNF I has lead security responsibility, have not yet been assessed against the conditions outlined above as being ready for hand-over to Iraqi security responsibility.

Further to the response to recommendation 39, the Committee wishes to receive an update on the latest position with respect to the Iranian nuclear programme, and on what specific steps HMG has been taking to resolve the situation.

Iran has not taken any steps since September to address international concerns about its nuclear programme. In particular, it has not suspended its uranium enrichment related and reprocessing activities, as required by the IAEA Board of Governors and the United Nations Security Council. On the contrary, it has continued to expand its enrichment activity: the Atomic Energy Organisation of Iran said on 28 October that Iran has begun enriching uranium in a second 164-centrifuge cascade.

The E3+3 (UK, France, Germany + – China, Russia, US) have continued to show flexibility in our search for a negotiated solution. On behalf of the E3+3, EU High Representative Javier Solana engaged in intensive discussions with the Secretary General of Iran's Supreme National Security Council, Ali Larijani, over the course of September. These were aimed at exploring whether Iran was prepared to meet IAEA Board and Security Council requirements and begin negotiations with the E3+3 on the basis of our far-reaching June proposals. After some positive indications in early September that Iran might be prepared to do so, Dr Larijani told Dr Solana in Berlin on 28 September that Iran was not in fact prepared to suspend uranium enrichment. President Ahmadinejad also said publicly on the same day that Iran would not suspend "even for one day". Iran has not given any indication that it is prepared to meet other IAEA Board and Security Council requirements, such as the resumption of co-operation with the IAEA on Additional Protocol terms.

The Foreign Secretary chaired a meeting of E3+3 Foreign Ministers with Dr Solana in London on 6 October to review the situation. The Ministers agreed that Iran's failure to meet Security Council requirements left no choice but to consult on the adoption of a new Resolution imposing sanctions. The aim of these sanctions will be to constrain Iran's ability to develop a nuclear weapons programme and to put political pressure on the regime to meet IAEA Board and Security Council requirements and return to talks. We are now discussing a new Resolution with Council members.

Iran's failure to engage on the E3+3's June proposals is deeply disappointing and raises further questions about Iran's real motives. The proposals would give Iran everything it needs to develop a modern civil nuclear power industry, including active support for the building of new light water reactors in Iran through international joint projects and legally-binding assurances relating to the supply of nuclear fuel. They would also bring Iran significant political and economic benefits, which would help promote trade, attract investment and create jobs for Iran's young population, as well as allow for the possible lifting of US sanctions in some areas of real need for Iran.

We remain committed to finding a negotiated solution. The E3+3 proposals remain on the table, as does our offer to suspend further action in the Security Council if Iran takes the steps required by the IAEA Board.

Further to the response to recommendation 48, the Committee wishes to receive a fuller statement of the Government's policy towards establishing a permanent section of the IAEA to deal with non-state actors and in particular, whether the Government is satisfied that sufficient funding is available for this aspect of the IAEA's work.

As the fourth largest contributor to the IAEA's budget, the UK continually assesses the Agency's work and organisation. The UK supports the Agency's work on non-state actors and encourages effective coordination both within the Agency and externally with the enforcement divisions in Member States. One of the roles of the Agency is to provide individual Member States with the information that they need to take action to deal with the threat of non-state actors. The IAEA has a limited role in dealing directly with the threat.

The UK believes that the current structure and funding of the IAEA is sensible and would not benefit from change. At present it is structured towards its primary purpose, that is, within the terms of its Statute, to play an effective role in combating global nuclear proliferation—whatever its origin. The UK is satisfied that, at present, sufficient funding is available to the IAEA for this work. The establishment of a permanent section of the IAEA to deal with non-state actors would not make the Agency any more effective in this area.

Are all three phases of the deployment of the new UN force in Lebanon complete? What contribution has been made by the UK (a) to UNIFIL and (b) to training and/or equipping the Lebanese armed forces?

The UNIFIL mission is envisaged to deploy in three phases. Phase 1 (25 August—29 October), Phase 2 (30 October—19 November) and Phase 3 (19 November onwards). As of 25 October, 8,818 troops had been deployed to UNIFIL+. The French and Italians are providing the core of the force. The Germans are leading a Maritime Task Force. The strength is 15,000 as authorised under UNSCR 1701.

The UK offered to provide support to the UNIFIL mission including the use of our Sovereign Base Areas on Cyprus and provision of a naval logistician to assist the UN. The UK also provided HMS York to the UN-sponsored interim maritime task force in September and October. This task force was replaced by a follow-on force, under UNIFIL command, on 15 October.

As a permanent member of the UN Security Council, the UK pays a premium contribution to the costs of UN operations. This year our contribution is expected to be approximately £16 million.

The UK has committed £2.5 million to security sector assistance in Lebanon. A minute was placed before parliament detailing UK proposals to supply the Lebanese with 50 vehicles. This met no objections and the contract has been signed. The Ministry of Defence is also planning to provide counter terrorism training and we are looking to identify the equipment and training needs of the security forces and co-ordinating

donor responses. We have allocated £320,000 for counter terrorism assistance in Lebanon, including training for border security, police capacity building and aviation security. We are also working with US, EU and other international partners to co-ordinate international support for the Lebanese Security Forces.

Richard Cooke

Parliamentary Relations and Devolution Team, Foreign and Commonwealth Office

10 November 2006

**Letter to the Parliamentary and Devolution Team, Foreign and Commonwealth Office,
from the Clerk of the Committee**

Members who visited Turkey last week were briefed by Turkish interlocutors on their concerns about plans for the referendum required by the constitution of Iraq to be held later this year in Kirkuk on its future status.

The Committee wishes to receive a note from the FCO on the background to the referendum and on the policy of the United Kingdom as to the arrangements for holding it, together with any other relevant observations the FCO may care to make on the future of northern Iraq and the Kurdish question.

The Committee hopes to receive the note by 19 February.

Steve Priestley

26 January 2007

**Letter to the Parliamentary Relations and Devolution Team, Foreign and Commonwealth Office,
from the Clerk of the Committee**

The Committee wishes to receive a copy of the Memorandum of Understanding between the United Kingdom and Iraq governing the transfer of individuals detained in Iraq by UK forces, as referred to in a Written Answer of 9 January (HC Deb, col 520W).

Steve Priestley

1 February 2007

**Letter to the Clerk of the Committee from the Parliamentary Relations and Devolution Team,
Foreign and Commonwealth Office**

Thank you for your letter of 26 January 2007 requesting a note on the background on plans for a referendum on the future status of Kirkuk, United Kingdom policy on it and other FCO observations. Please find such a note enclosed.

Please do not hesitate to contact me should you, or Members of the Committee require further information.

Richard Cooke

13 February 2007

Iraq: Future Status of Kirkuk: Note for the Foreign Affairs Committee

SUMMARY

1. Iraq's constitution requires a referendum to be held in Kirkuk before the end of 2007. The constitution is subject to a review process due to be completed by late 2007 so this requirement could be amended in the coming months.

2. Kirkuk has historically been an ethnically and religiously mixed city. It is of strategic and economic importance given its proximity to substantial oil fields. Iraqi Kurds assert that Kirkuk is predominantly a Kurdish city and want to see it become part of the Kurdistan Regional Government area. Other communities dispute this. The interference of past Iraqi governments with the demographic make-up of the city has complicated the issue.

3. Turkey, Iran and Syria are concerned about the impact of any change in Kirkuk's status on their own significant Kurdish populations.

4. As the UK, our key concern is to do what we can, working with Iraqi and international partners, to ensure that the process leading up to a referendum and the referendum itself is as fair and transparent as possible and that it reflects the views of the different communities concerned. This is essential if the outcome is to be accepted in Kirkuk, Iraq and beyond and to avoid contributing to instability or insecurity.

DETAIL

Background

5. Kirkuk is an historically mixed region which includes significant populations of Kurds, Turkomans, Arabs, Assyrians, and Armenians. The last reasonably reliable census was in 1957. At that time the population of Kirkuk city was 388,939: 37.6% Turkoman, 33.3% Kurds and 22.5% Arabs. Figures for Kirkuk Province were 48.3% Kurds, 22.5% Arab, 21.4% Turkoman, with the remaining population Assyrian and others.

6. There are no reliable figures for the current population of Kirkuk city and province. April 2003 estimates put the population of the city of Kirkuk at between 700,000 and 850,000 with the population of the province as a whole at 1.2 million. 2004 estimates suggested a mix of 30% or more Kurds and Arabs, 21% or more Turkoman, with under 10% each for Assyrian and other populations.

7 Successive Iraqi governments most notably Saddam's attempt to secure Arab control of northern oil fields by moving Kurds, Turkomans and Assyrians away from, and Arabs into, the region. Human Rights Watch and the US Committee for Refugees reported that somewhere between 120,000 and 200,000 Kurds, Turkmen and Assyrians were expelled from Kirkuk in the second half of the 1970s. This policy continued until 2003.

Constitutional requirement

8. Articles 53(A) and 58 of Iraq's Transitional Administrative Law outlined mechanisms to resolve border, property and employment disputes arising from earlier "Arabisation" policies [full text attached at Annex A]. These principles were subsequently incorporated into Article 140 of Iraq's current Constitution which provides:

First: The executive authority shall undertake the necessary steps to complete the implementation of the requirements of all subparagraphs of Article 58 of the Transitional Administrative Law.

Second: The responsibility placed upon the executive branch of the Iraqi Transitional Government stipulated in Article 58 of the Transitional Administrative Law shall extend and continue to the executive authority elected in accordance with this Constitution, provided that it accomplishes completely (normalisation and census and concludes with a referendum in Kirkuk and other disputed territories to determine the will of their citizens), by a date not to exceed the 31 of December 2007.

9. The constitution does not set out the question to be put to voters in the referendum. Options for Kirkuk's future status, as we understand them include:

- joining with the KRG administered region of northern Iraq;
- special status as an independent province; and
- joining with (non-KRG) adjoining provinces to form a region.

10. Following formation of Iraq's new Government in 2006, Prime Minister Maliki announced in the Iraqi Government Work Programme a timeline for the process leading up to the referendum:

- normalisation process (to resolve property ownership disputes and to finalise the process of returning internal administrative boundaries) by 29 March 2007;
- beginning of the census 31 July 2007;
- referendum by 15 November 2007.

11. In July 2006 Prime Minister Maliki established a ten-member "Article 140 Committee" under the chairmanship of Justice Minister Al Shibli to take work forward. Five sub-committees (finance, fact-finding, secretariat, technical and monitoring) have been established and \$200 million allocated for their work but, to date, only \$20 million has been disbursed and substantive progress on the key issues has been slow. By spring 2006 the Iraq Property Claims Commission (now called the Commission for Real Property Dispute Resolution) had received over 130,000 claims and processed some 9,500 cases by reinstating ownership titles. But ethnic tension and the lack of a compensation programme have marred the process.

12 To our knowledge no significant preparations for the census have taken place. Arrangements for the referendum, including monitoring arrangements, are also unclear. It will be important that implementing and monitoring organisations are credible to all stakeholders. We would like to see the involvement of Iraq's Electoral Commission and the UN.

13. Time for the process is passing quickly. Violence in and around Kirkuk has increased in recent months. While the Turkoman and Assyrians do not currently have significant armed militias the prospect of their taking up arms if they continue to feel left out of the process or disgruntled by the result of the referendum, remains real. Members of the Jaysh al Mahdi have been active in Kirkuk for some time.

Positions on the process

14. Iraqi Kurds are keen to restore Kirkuk to what they see as its rightful position at the heart of Kurdish northern Iraq. Since 2003 the KRG has been encouraging Kurds to “return” to Kirkuk from other parts of Iraq. They successfully campaigned with the Independent Electoral Commission of Iraq to ensure that returning Kurds were able to register and vote in elections in 2005. The Kurds have reportedly been offering financial and material incentives to attract returnees to the region.

15. Many Turkomans, and Arabs are concerned about what they view as Kurdish attempts to rig the process.

16. The Turkoman community is divided on Kirkuk. A significant number are deeply concerned about Kurdish ambitions for the region. The Iraq Turkoman Front has proposed that the referendum be postponed for 10 years and, together with representatives of the Arab community, suggested that local government in Kirkuk be shared between the communities: 32% Turkoman, 32% Arab, 30% Kurd and 60% others. This is unlikely to be acceptable to the Kurds.

17. Some Iraqis, including non-Kurds, suggest that some—although by no means all of the largely Shia Arabs who came to Kirkuk as a result of Arabisation policies might be willing to leave Kirkuk if the right sort of compensation were on offer. Most Sunni Arabs oppose the idea of Kirkuk and its oilfields falling under the control of the KRG, believing they will lose out on land and economic rights. Some fear that such a move could threaten the territorial integrity of Iraq.

18. Assyrians have been non-committal and have purposely avoided being drawn into supporting any particular position.

International Community

19. Turkey, Syria and Iran follow events surrounding Kirkuk with great interest, and are concerned about implications for their own Kurdish communities. The Turks are deeply concerned about the levels of violence in Kirkuk and are arguing that the referendum should be delayed a few years until there is greater security and stability. They also advocate a process whereby all the communities represented in Kirkuk—each a mutually agreed outcome to be put to a referendum.

20. The Kurds will want to be reassured that the outcome of the referendum will be endorsed by the international community, and particularly by the US. The US, therefore, have a key influence over the process. The recent US Iraq Study Group report recommended that the referendum on Kirkuk be delayed beyond 2007. We would like to see the UN, in cooperation with the Government of Iraq, play a role in ensuring the integrity of the referendum process.

UK position

21. As the UK, our key concern is to do what we can to ensure that the process leading up to a referendum and the referendum itself is as fair and transparent as possible; that it reflects the views of the different communities concerned; that the result is thus widely accepted within Iraq and internationally and that any adverse impact on local and regional security is kept to a minimum. We are working with the Government of Iraq, the KRG and other Iraqi stakeholders and with the US, UN and other international partners to achieve this.

Iraq Policy Unit

February 2007

Annex A

EXTRACT FROM THE TRANSITIONAL ADMINISTRATIVE LAW

ARTICLE 53

(A) The Kurdistan Regional Government is recognised as the official government of the territories that were administered by that government on 19 March 2003 in the governorates of Dohuk, Arbil, Sulaimaniya, Kirkuk, Diyala and Neneveh. The term “Kurdistan Regional Government” shall refer to the Kurdistan National Assembly, the Kurdistan Council of Ministers, and the regional judicial authority in the Kurdistan region.

(B) The boundaries of the 18 governorates shall remain without change during the transitional period.

(C) Any group of no more than three governorates outside the Kurdistan region, with the exception of Baghdad and Kirkuk, shall have the right to form regions from amongst themselves. The mechanisms for forming such regions may be proposed by the Iraqi Interim Government, and shall be presented and considered by the elected National Assembly for enactment into law. In addition to being approved by the National Assembly, any legislation proposing the formation of a particular region must be approved in a referendum of the people of the relevant governorates.

(D) This Law shall guarantee the administrative, cultural, and political rights of the Turkomans, ChaldoAssyrians, and all other citizens.

ARTICLE 58

(A) The Iraqi Transitional Government, and especially the Iraqi Property Claims Commission and other relevant bodies, shall act expeditiously to take measures to remedy the injustice caused by the previous regime's practices in altering the demographic character of certain regions, including Kirkuk, by deporting and expelling individuals from their places of residence, forcing migration in and out of the region, settling individuals alien to the region, depriving the inhabitants of work, and correcting nationality. To remedy this injustice, the Iraqi Transitional Government shall take the following steps:

(1) With regard to residents who were deported, expelled, or who emigrated; it shall, in accordance with the statute of the Iraqi Property Claims Commission and other measures within the law, within a reasonable period of time, restore the residents to their homes and property, or, where this is unfeasible, shall provide just compensation.

(2) With regard to the individuals newly introduced to specific regions and territories, it shall act in accordance with Article 10 of the Iraqi Property Claims Commission statute to ensure that such individuals may be resettled, may receive compensation from the state, may receive new land from the state near their residence in the governorate from which they came, or may receive compensation for the cost of moving to such areas.

(3) With regard to persons deprived of employment or other means of support in order to force migration out of their regions and territories, it shall promote new employment opportunities in the regions and territories.

(4) With regard to nationality correction, it shall repeal all relevant decrees and shall permit affected persons the right to determine their own national identity and ethnic affiliation free from coercion and duress.

(B) The previous regime also manipulated and changed administrative boundaries for political ends. The Presidency Council of the Iraqi Transitional Government shall make recommendations to the National Assembly on remedying these unjust changes in the permanent constitution. In the event the Presidency Council is unable to agree unanimously on a set of recommendations, it shall unanimously appoint a neutral arbitrator to examine the issue and make recommendations. In the event the Presidency Council is unable to agree on an arbitrator, it shall request the Secretary General of the United Nations to appoint a distinguished international person to be the arbitrator.

(C) The permanent resolution of disputed territories, including Kirkuk, shall be deferred until after these measures are completed, a fair and transparent census has been conducted and the permanent constitution has been ratified. This resolution shall be consistent with the principle of justice, taking into account the will of the people of those territories.

Written evidence submitted by the BBC World Service

BBC SERVICES IN THE MIDDLE EAST

BBC World Service is available throughout the Middle East in English and Arabic, on shortwave, medium wave and numerous FM frequencies and online. In addition it is available in Persian in Iran on radio and online.

BBC World television is available free-to-air across the Middle East on satellite and on cable in some countries.

BBC Newsgathering maintains bureaux in Dubai, Amman, Cairo, Baghdad and Tehran. BBC Monitoring maintains its key regional office in Cairo.

As well as the above-mentioned bureaux, The BBC World Service Trust, supported among others by the FCO and DFID, is training journalists and supporting the growth of high quality media in Iraq, Lebanon, Syria, Egypt and Yemen.

BBC Arabic Service

The BBC Arabic Service is both the largest and the oldest of the World Service's language sections other than English. It was founded in 1938 and today it is the leading foreign radio broadcaster in the Middle East. The service is available on air and online 24 hours a day seven days a week, and also delivers content to mobile phones and other mobile devices.

The radio operation and the *BBCArabic.com* website offer news and information and cover a wide range of political, social and other issues. Discussions and interactive programmes expose Arab audiences to a unique range of views on current topics and debates.

In addition to the radio and online services, the BBC Arabic Service will launch a television channel in the Autumn.

On radio

Research shows that the radio service is the most trusted international radio news provider in the region and has an established reputation for quality.

Eighty per cent of the BBC Arabic radio audience live in Egypt, Iraq, Syria and Sudan. Northern Sudan and Iraq are the BBC's largest markets in the Arab speaking world, both attracting weekly audiences in excess of three million. Listeners tend to be male, better educated, aged 35–44 and live in large households (approximately five people in house).

Most of the listening is via shortwave and medium wave transmissions, which are most popular in state-controlled media markets.

However, the Arabic Service is increasingly available on FM relays, which are proving popular where available and as a result the BBC's audiences on FM are growing. There are currently 24 hour BBC relays carrying Arabic output in Bahrain, Iraq, Jordan, Kuwait, Qatar, Sudan and the UAE, as well as Chad, Djibouti, Mali, Somaliland and Mauritania. As well as the BBC's own relays, the Arabic Service also has partners stations re-broadcasting its output in Lebanon and the West Bank, and further afield in Somalia, Mali, Greece, Germany and even Australia. Of the 12.5 million adults worldwide who listen to the Arabic Service each week, 3.2 million are tuning in to these FM signals. All the BBC's audio output is also available through the internet.

Listeners in the Middle East can also enjoy BBC English and Arabic programmes in digital quality sound 24 hours a day, seven days a week, via satellite through BBC World Service's partnership with Arabsat.

Audiences mainly tune in for news and current affairs—with the BBC used as a primary source for news in markets like Iraq, and as a complementary source to TV in most other markets.

The BBC is still used by many as a crisis station, especially in news-sensitive markets like Egypt. This has resulted in the BBC losing market share against some other international stations whose programmes are much more entertainment oriented. However, when it comes to news, the BBC is seen as more trustworthy, objective and relevant than its international rivals (Sawa, Al Hurra, RMC and CNN).

Online

The online market in the region is growing and becoming increasingly competitive. *bbsarabic.com* is the leading international Arabic news site on the internet, and has the highest usage of all the World Service's language sites apart from English. Egypt, Saudi Arabia, UAE and Kuwait are key markets.

Research shows high levels of trust in its content, and it has twice won the international "Best Arabic News Site" accolade. It currently receives over 21 million page impressions each month—up 40% on last year. Most of these online users are from the Middle East and North Africa but it also has considerable reach amongst Arabic speakers worldwide who are out of geographical reach of our Arabic-language radio broadcasts and re-broadcasts.

On television

BBC Arabic TV, the first publicly funded international television service from the BBC, will be launched in late 2007. The channel will initially broadcast 12 hours daily throughout the Middle East at a cost of £19 million per annum, although the ambition is to extend this to 24 hours, and the additional funding required for the extension will form part of BBC World Service's bid in this year's Comprehensive Spending Review.

Initial funding for the service was made available through a reprioritisation exercise which resulted in the closure of ten language services last year.

Drawing upon the BBC's unmatched newsgathering resources, and working alongside BBC Arabic Radio and Online, the channel's launch will turn the BBC Arabic Service into a genuinely multimedia operation, indeed the only major international broadcaster capable of providing news to Arabic-speaking audiences whatever their medium of choice.

Research in the Middle East shows a very strong demand for the service. The attached appendix gives more detail on this research, progress with the channel's development, and the case for closing the gap from 12 to 24 hours.

BBC Farsi TV to Iran will launch in early 2008. Full funding for the service was announced by the Chancellor of the Exchequer in October 2006. The operating cost of £15 million a year will be provided in addition to BBC World Service's existing grant-in-aid funding from the UK Government through the 2007 Spending Review, and will have no impact on the current BBC World Service portfolio of services.

The service will include news, analysis, debate and high quality factual and cultural programmes made by the BBC, and will be on air initially for eight hours a day, seven days a week at peak viewing time in Iran. It will be freely available to anyone with a satellite dish in the region. As with all BBC services, it will be editorially independent in every respect.

The BBC World Service will be the first international broadcaster to deliver a Farsi tri-media news service under a single brand. It will enable the BBC to have increased impact in one of its most important markets, and in a country with a growing global and regional role.

BBC World Service Programming on the Middle East

Events in the Middle East continue to dominate the news headlines, and capturing a full picture of the situation, often against a daily backdrop of violence, is challenging and complex. As well as the more permanent news presence in the bureaux, the BBC relies on the determination and courage of a network of reporters throughout the region.

Audiences listening in English can enjoy the BBC's flagship programmes: *Newshour*, 60 minutes of world news and analysis of the day's top stories from the BBC's most experienced correspondents, and *Outlook* which brings human interest stories from across the globe. *World Have Your Say* is the daily multimedia, interactive phone-in programme encouraging people across the world to question experts and leading international figures in the news. Recent figures from the Middle East featured on the programme have included: Salam Pax, The Baghdad Blogger; Syrian Cabinet Minister, Dr Bouehaina Shaaban and Pierre Gemayal, Lebanon's Industry Minister.

Iraqi Vice President, Adil Abdul Mahdi talked to Lyse Doucet in *The Interview* in February this year.

Assignment looked at Lebanon in December, asking the question: *Winning the Peace—has the war made Hezbollah stronger than ever?* and in the same month it investigated Palestinians who have collaborated with Shin Bet, the Israeli intelligence service.

Baghdad Billions broadcast in November was a two-part investigation into the missing billions of dollars that have poured into Iraq for reconstruction projects.

The New Arab World, was a series about the pace of change in the Arabian Gulf, broadcast in July last year. While the smaller states are streaking ahead with modernisation, liberalisation and opening up to the outside world, their larger and more powerful neighbours in the Arab World are lagging behind. This series focussed on Dubai, Qatar, Oman, Lebanon and Egypt looking at how relationships are changing, and what the future holds.

Iran—A Revolutionary State, a three-part documentary series broadcast in October last year, took a close look at the making of modern Iran. This followed on from a whole week of special programmes on Iran in May.

Listeners in Arabic can enjoy BBC Arabic service's flagship news programme *The World This Morning* (*Al-alam hatha al-sabah*) which sets the day's agenda every morning, seven days a week, and *Discussion Point* (*Nuqtat Hewan*), the place to exchange opinions and share views on a wide range of issues for Arab speakers across the world.

The Arabic Service also broadcast a series of debates discussing issues important to people's lives in Jordan, Kuwait and Sudan in November last year. They formed part of BBC Arabic's flagship programmes *Talking Point* and *BBC Extra*. The programmes were broadcast live and involved studio audiences as well as BBC Arabic listeners who called in from around the world. The focus of the Jordan and Kuwait programmes was on workers' rights and the events were also broadcast on national television in those countries. BBCarabic.com featured in-depth video and audio features exploring the issues covered by the programmes.

In December last year the BBC signed a new agreement with Radio Riyadh to provide tailored bi-lingual programmes for learners of English across Saudi Arabia on FM. These programmes are designed specifically for young people and feature bilingual presenters. The lessons teach listening and comprehension and explain points of the English language through topical and human interest stories. UK lifestyle and culture is also included.

All BBC journalists are required to undertake an online training programme, developed with the World Service and Arabic Service, about Israeli and Palestinian affairs and their historical background.

On the road

In February and March last year, the Arabic Service took to the road to run promotional shows in Cairo, Amman, Khartoum, Ramallah and Damascus—*Your future . . . who decides it?* The aim was to get the voices of young men and women in the Middle East heard on issues that affect their daily lives and their future. Live radio debates were held weekly in packed-out university halls and were promoted through interactive booths at colleges, shopping centres, gyms and coffee shops, and almost 270,000 people got involved.

Over 33,000 people gave in their names for further contacts with the BBC during the roadshows. Following this success, BBC Arabic launched a monthly free e-newsletter. Subscribers receive an update on the programmes and special features coming up, have an opportunity to share their views and opinions with online debates and polls and get behind-the-scenes insights of BBC Arabic with profiles on presenters and backgrounds on the top stories.

Competition

The visual element of TV has become key in the Middle East, with people wanting to watch events unfold live before their eyes. Al Jazeera has established itself as the leading news provider in the region. It dominates in terms of reach and is perceived as more trustworthy than any other news source. Al Arabiya is also performing well.

On radio, Radio Sawa and Radio Monte Carlo are the BBC's main regional competitors. Radio Sawa is the leading station in terms of reach and through its primary offering of music it generates a large audience to its news bulletins. However, the news provided by Sawa does not score highly for trust, objectivity or relevance in any of the markets surveyed by BBC World Service. Similarly the news from RMC does not score highly.

BBC World

The region is also a hugely important market for BBC World television, both editorially and in terms of distribution. The channel has the biggest daily and weekly regional reach in the Middle East of any international news channel among business decision makers, and is available in 6.6 million homes with access to cable and/or satellite television (over twice as many households for example as CNN), along with more than 71,000 hotel rooms.

BBC World is committed to new programme initiatives that bring additional editorial focus to the Middle East. The *Middle East Business Report* programme, for example, which offers analysis of financial, company and economic news, marked its second anniversary in January 2006. It is produced from Dubai every week.

The Synovate Pax survey 2006 shows that BBC World is the most popular international channel, watched by more viewers each day than any other English language channel across eight Middle Eastern countries. Countries include: Gulf Co-op Council (GCC) countries of Saudi Arabia (Riyadh, Jeddah, Dammam), UAE, Kuwait, Qatar, Bahrain and three other countries—Egypt (Cairo and Alexandria), Lebanon (Beirut) and Jordan (Amman).

BBC World Service Trust

The BBC World Service Trust has provided intensive training to nearly 1,000 journalists and managers since its media dialogue programme was launched in April 2004 for the Arab media. It has also engaged with over 200 Arab media professionals and chief executives and provided a forum for exchange between the Arab and UK media professionals. The project team are working with 17 state and privately run Arab media partners who have expressed a commitment to training and change within their organisations.

The final phase of the project is aimed at building a cadre of Arab trainers who can deliver high quality training to help bridge the skills gap in the region. The programme is supported by an online learning resource and discussion forum in Arabic for journalists.

BBC Monitoring

In the current welter of comment and speculation surrounding the Middle East and the Islamic world in general, BBC Monitoring offers a unique service of news and information which faithfully and accurately reflects statements and comments of all hues carried by the media. It produces carefully-selected reports based on extensive coverage of the world's media including that of the Arab world.

BBC World Service—the way forward

- In surveys from the region over recent years, and in bespoke focus group research, the BBC emerges as the most trusted international news provider on radio.
- TV is the dominant news medium in the Arab world.

- BBC World Service radio services are holding their ground, but are increasingly under pressure. Of the 12.5 million Arabic radio audience, over 7 million listeners are in the relatively under developed countries of Sudan and Iraq. BBC penetration is lower in the Arabic markets where television is growing fast and where regulatory pressures on FM broadcasting are greatest, eg Saudi Arabia and Egypt.
- Audience research commissioned in 2003, and repeated in 2005, indicated a very strong demand for a BBC Arabic television service. In seven Arab capitals, a range of between 80% and 90% of those surveyed said they would be “very likely” or “fairly likely” to use the service (with about half in the “very likely” group). This has remained consistently high over the past two years, and, in some areas, demand has solidified in the intervening period.
- The trusted nature of the BBC’s brand—its independence and strong record in news coverage—is cited by most potential users as the reason for their strong interest.
- The establishment of an Arabic television service would mean the BBC was the only media player with a genuine multi-media offer and all the opportunities which flow from this in terms of cross-promotion, awareness raising and an enhanced ability to supply information whenever and wherever audiences want it.

APPENDIX

BBC ARABIC TV

On 25 October, 2005, the BBC World Service announced its intention to launch a 12-hour Arabic TV news channel.

The channel proposition—initially 12 hours of linear television, supported by audio and text, and moving to 24 hours over time, depending on funding—will be based around BBC strengths in the region. It will consist of world class news and current affairs programming covering international and major regional issues.

Discussion programmes and debates mounted in conjunction with BBC Arabic radio and online services will offer a uniquely well-moderated space for sharing views and perspectives across the region and with the wider world. Great care will be taken to combine a modern look to the channel with strong information content, and a broader agenda than regionally-based channels.

There is a clear opportunity to occupy a genuine “middle ground” in the market, away from the perceived pro-US offers of Al Hurra and Radio Sawa and with a different perspective to the Arabic regional channels—both the more moderate, regionally focused channels like Al Jazeera and Al Arabiya, that play to the Arab street, and the more extremist offers from channels like Al Manar.

The channel will play to the strength of the BBC’s reputation in the Middle East for impartial and accurate reporting. Audiences are sensitive to the existing TV channels’ perceived bias and there is strong demand for an addition that is free of regional affiliations and free to provide independent and fair information—free of commercial and political pressures. It will not replace other sources of information but it will be a favoured addition. It will be seen—as is BBC Arabic radio—as a “gold standard” of objectivity against which to judge other more partisan offers.

The potential commercial impact on BBC World has been considered. The BBC believe it will be minimal, mainly due to the low overlap of the Arabic channel’s intended audience.

The BBC will maximise synergies between a linear TV offer and emerging on-demand opportunities on broadband, mobile and other platforms.

COST AND FUNDING—12 HOUR SERVICE

Reprioritisation from within the existing budget will enable BBC World Service to fund the 12 hour option from 2007, with a total cost of £19.1 million per annum. Capital costs would be met from within the current £31 million annual World Service capital budget.

PROGRESS IN IMPLEMENTATION SINCE OCTOBER

The BBC Arabic TV channel is on time and on budget for launch in Autumn 2007.

The announcement of the channel was well received in the Arab world. Public reaction continues to indicate a growing appetite for an offer from the BBC. The fact that the BBC attracted very high calibre applicants from across its competitor channels to the senior post of News Editor also shows that professionals believe the BBC will be very competitive in this market.

Saleh Negm, the News Editor, is a very experienced Arab TV professional who has held senior positions in the BBC Arabic Service and major satellite TV channels. His appointment has been well received in the Middle East. Other lead Editorial appointments have been made and the Project Manager is Elwyn Evans, who is a former Editor of the BBC's 6 and 9 o'clock News and has played a leading role in numerous channel launches including Sky News and BBC News 24.

The recruitment process for the main body of the staff started in Autumn of 2006.

A final decision about the site of the multi-media BBC Arabic Service including TV has now been taken. The BBC's Director General has approved a move to the newly refurbished Broadcasting House, which will ultimately be the site for the whole of World Service and BBC News when the rest of the building work has been completed.

A full editorial prospectus of "live" news and current affairs has been developed, which strengthens the BBC's competitive advantage—its brand, and a reliable and accurate news service in the Middle East—whilst ensuring an innovative look and feel for the channel, and a clear structure to the schedule.

A full training programme and immersion into the BBC's journalistic standards is being prepared for all recruits, including online modules on editorial standards, and special training on Israeli/Palestinian issues.

The Project team, led by the Head of Region, Jerry Timmins, has begun a process which draws on the talent within BBC Arabic, new market research and carefully selected focus groups to identify the potential for a multimedia Arabic Service to bring a very significantly enhanced offer to existing and new audiences.

While the BBC's priority is to launch a successful TV channel, the larger goal is turning BBC Arabic into a fully multimedia provider, capable of meeting growing audience demands for impartial and accurate information delivered in the most convenient way whether someone is in their car, at home or at work. The BBC is uniquely placed to be a significant provider of choice in an Arab world which spans the most developed and least developed of markets. So it needs to position itself to meet very diverse demands from, on the one hand, Sudan—where BBC World Service has a measured radio audience of over 4 million—through to the Gulf, where competition is high and people expect to be served with news and information on demand and via an increasingly large number of devices, with a bias towards television.

THE NEED TO CLOSE THE GAP FROM 12 TO 24 HOURS

Closing the gap to fund a full 24/7 on-air presence will be the number one priority, in the Spending Review bid in 2007. It will cost a further £6 million revenue per annum to increase to 24/7 from 12/7.

Closing this gap is essential.

The BBC will initially launch the channel to cover most of the peak viewing times across the region in the evenings. To cover the four Middle Eastern time zones and ensure the channel reaches most potential viewers at peak times will effectively mean being on air approximately from midday to midnight GMT.

However, many major events and breaking stories in the Arab world, or relevant to it, occur in the early morning GMT. For example, the raid that killed Al Qaeda's Zaqahry was announced at 06.00 London time; the Egyptian ferry disaster killing 1,000 people broke in the early morning; and the London bombings took place at 08.45 London time.

In the long-term it is not credible for a news channel to be off air when news is breaking. Peak viewing times are broadly speaking in the evening but at times of breaking news audiences obviously expect news to be covered and will switch on. If they do not get the news when they demand it they will go elsewhere and will probably not return.

In times of heightened crisis, the demand for news never stops. During the current crisis in Israel and Lebanon, viewers in those countries need 24-hour coverage. When they get up in the morning they want a summary of what happened overnight; when there is a dawn ground attack, they want information as the situation unfolds. Traditional evening viewing patterns no longer apply. Demand for news rises staggeringly at times of war or crisis and news channels make or break their reputations by how they respond.

With the current funding, the Arabic TV channel will not be on air when these kinds of stories break. From the beginning of its discussions with the Foreign Office, BBC World Service has made it clear that a news channel's credibility rests in part on its ability to be able to respond to breaking news whenever it happens. That means being on air 24 hours a day.

As yet the FCO has provided no new funding; World Service has managed to reprioritise £19 million of its existing funding at the expense of closing 10 language services. BBC World Service is unable to do any more without doing irreparable damage to its existing services and reducing its impact worldwide very significantly.

BBC World Service is arguing in the strongest terms for the £6 million of extra funding to close the gap for Arabic television to ensure its long term success. The next three-year funding round, the 2007 Spending Review, provides World Service with the opportunity to win the argument and secure the funding. A failure to do so will have very serious consequences for the longer-term success and will potentially do enormous damage to what promises to be a very successful news service from the BBC.

BBC World Service believes this is a key opportunity for Britain. BBC Arabic can make an enormous contribution to the quality of news coverage about and for the Middle East. It can play an important part in fostering greater understanding of the issues which confront both the Arab world and the international community. However, ultimately it can only do this if it is properly funded.

26 February 2007

**Letter to the Clerk of the Committee from the Parliamentary Relations and Devolution Team,
Foreign and Commonwealth Office**

RE: REQUEST FOR A COPY OF THE MOU ON TRANSFER OF DETAINEES IN IRAQ

I am writing with reference to your letter of 1 February 2007, regarding the Foreign Affairs Committee's request to see a copy of the UK-Iraq Memorandum of Understanding on transfer of individuals detained in Iraq by UK Forces.

We are unable to release this document without the consent of all signatories to the agreement. We are actively seeking this consent, and hope to revert to you in due course.

Richard Cooke
Parliamentary Relations and Devolution Team

26 February 2007

Written evidence submitted by Gisha: Legal Center for Freedom of Movement

RE: GLOBAL SECURITY, MENA—ISRAEL'S CLAIM THAT GAZA IS NO LONGER OCCUPIED

1. On the occasion of the Committee's inquiry into Global Security, Middle East, we wish to update you on a position by the Israeli government that it no longer occupies Gaza and no longer bears responsibility for the welfare of Gaza residents. As an NGO concerned with the human rights of Palestinian residents, we ask that you raise the issue of Israel's occupation of Gaza in your reports, with a recommendation to take measures to assure compliance with international humanitarian law, especially the Fourth Geneva Convention, to which the UK is a party.

ISRAEL CLAIMS THAT IT DOES NOT OCCUPY GAZA AND OWES NO RESPONSIBILITY FOR THE WELFARE OF GAZANS

2. Since removing Israeli settlements and evacuating permanent military installations from Gaza in September 2005, Israel has taken the position that Gaza is no longer occupied and that completion of its "disengagement" extinguishes its legal obligations towards Gaza, thus leaving the running of Gaza and the fulfillment of obligations *vis à vis* Gaza residents—to the sole responsibility of the Palestinian Authority.

3. While Israel has refrained from stating the above position in public international fora, domestically, especially in proceedings before the Israeli Supreme Court, the State of Israel has declared an end to its occupation of Gaza, has declared the crossings with Gaza to be international border crossings, and has expressed the position that Gaza residents have no right to enter the West Bank.

4. In response to requests to allow Gaza residents to receive imported goods and export finished products, to travel to the West Bank, and to leave and enter the Gaza Strip, Israel's response has been that it no longer occupies Gaza and therefore bears no responsibility for the welfare of Gaza residents.

5. Israel has all but cut off travel between Gaza and the West Bank. It treats Gaza residents as "foreigners" who have no right to enter the West Bank, which Israel considers to be a "closed military zone" under the control of the IDF. The restrictions on travel between Gaza and the West Bank separate families, block access to jobs, medical services and educational opportunities, and further isolate Gaza, whose 1.4 million residents are living in poverty and unemployment.

6. We note that there are obviously significant political implications to the claim that Gaza is no longer occupied and that it can be cut off from the West Bank.

GISHA'S POSITION: ISRAEL OWES HUMANITARIAN OBLIGATIONS TO GAZA RESIDENTS BECAUSE OF CONTINUED CONTROL

7. In a recently released comprehensive position paper, *Disengaged Occupiers: The Legal Status of Gaza*, Gisha argues that Israel has not relinquished control over Gaza but rather removed some elements of control while tightening other significant controls. Far from improving the economy and welfare of Gaza residents, Israeli actions since September 2005—including severe restrictions on the movement of people and goods in and out of Gaza and an economic stronghold on the funding of civil services—have contributed to an economic and humanitarian crisis in Gaza not seen in the 38 years of Israeli control that preceded the withdrawal of permanent ground troops.

8. Gisha takes the position that Israel continues to owe legal obligations to residents of Gaza in the significant areas in which their lives are subject to and affected by Israeli control. That responsibility exists under human rights law, Israeli law, and the international law of belligerent occupation, primarily the Hague Regulations of 1907 and the Fourth Geneva Convention of 1949. Israel is bound to respect the rights of Gaza residents in its control of Gaza's borders, population registry, tax system, and other areas, and it also owes positive duties to permit and to facilitate the proper functioning of civilian institutions in Gaza, pursuant to international humanitarian law.

9. Gisha's position is based on continued Israeli control over life in Gaza. Israel continues to control Gaza through:

- Substantial control of Gaza's land crossings;
- Control on the ground through incursions and sporadic ground troop presence ("no-go zone");
- Complete control of Gaza's airspace;
- Complete control of Gaza's territorial waters;
- Control of the Palestinian population registry (including who is a "resident" of Gaza);
- Control of tax policy and transfer of tax revenues;
- Control of the ability of the Palestinian Authority to exercise governmental functions;
- Control of the West Bank, which together with Gaza, constitute a single territorial unit.

10. Gisha takes the position that Israel does exercise effective control over significant aspects of life in Gaza, and thus, in the areas in which it exercises such control, Israel owes obligations to Gaza residents under the international humanitarian law of occupation. Gisha specifically recommends that Israel fulfil its obligations toward the people of Gaza under the Fourth Geneva Convention, the Hague Regulations, and Israeli and international human rights law, namely:

- To open Gaza's borders to the free passage of people and goods;
- To permit Gaza to build an airport and seaport for the passage of people and goods;
- To transfer the tax money it collects on behalf of the Palestinian Authority to the use and benefit of Palestinian civil society;
- To permit adequate supply of goods—humanitarian and commercial—to Gaza;
- To allow the free movement of people and goods between Gaza and the West Bank, which constitute a single territorial unit under internationally-recognised agreements;
- To refrain from inflicting damage on Gaza's infrastructure, including sources of water, electricity, fuel, and transportation;
- To uphold its responsibilities, under the Fourth Geneva Convention and Article 43 of the Hague Regulations, to allow the people of Gaza to conduct normal lives, including the ability to engage in commerce, to travel abroad, and to access humanitarian goods and supplies.

THE ROLE OF THE INTERNATIONAL COMMUNITY IN ENFORCING THE FOURTH GENEVA CONVENTION

11. Responsibility for the enforcement of the Fourth Geneva Convention, which protects residents of an occupied territory, lies with the High Contracting Parties to the Convention, including the UK.

12. Gisha believes that there is a contradiction between continued Israeli control over Gaza and claims that Gaza is no longer occupied. We believe that inquiries and statements of position from foreign governments regarding the status of Gaza and the application of the Fourth Geneva Convention regarding occupied territory will have the effect of moderating Israel's position and encouraging it to comply with its international legal obligations.

13. We respectfully request that you investigate this issue and take appropriate measures. In particular, we encourage you to request that Government representatives make inquiries among their Israeli interlocutors regarding the status of Gaza and call upon Israel to respect its obligations under international humanitarian law.

14. I respectfully refer you to Gisha's position paper, *Disengaged Occupiers: The Legal Status of Gaza*, available at our web site, www.gisha.org or at the link: http://www.gisha.org/english/reports/Report_for_the_website.pdf

15. Gisha is an Israeli not-for-profit organization, founded in 2005, whose goal is to protect the freedom of movement of Palestinians, especially Gaza residents. Gisha promotes rights guaranteed by international and Israeli law.

16. I welcome a chance to discuss these issues with you. A signed copy of this letter and a copy of our position paper will follow by mail.

26 February 2007

Memorandum submitted by Elisheva Rubin, Ohio

I protest the UK position on Jerusalem, I do so as a formal complaint.

We recognise de facto Israeli control of West Jerusalem and consider East Jerusalem to be occupied territory. We recognise no sovereignty over the city.

I complain that the UK is openly espousing anti-Semitism, anti-Judaism and is hate mongering against the Jewish People and the Jewish Nation.

The UK is directly attacking Jewish Religious Freedom, as we are not allowed to even pray on our Temple Mount; thwarted in efforts to purchase property; not allowed to keep property lawfully purchased; and the UK fails to recognize Jerusalem as the legitimate property of Israel and the Jewish people; and does this by openly stated policy; Through falsely calling E. Jerusalem "occupied", whereas it is only being lawlessly held by non-Jews and the United Nations which has illicitly seized property.

I demand an immediate cessation of these hateful, horrible, inherently anti-semitic policies.

E mail to the Committee from Elisheva Rubin, Ohio

I thank you so much for your very speedy response. It is marvelous that our modern technology can be so efficient!

Yes, I could see from the website the process you use, and I have no complaint really with that as written.

The problem enters when you take testimony primarily, and pretty much solely, from parties who are terribly biased against Jews, Judaism and Israel; while you have, apparently, made no effort at all to balance them out with alternative and opposing views. Your input for your decisions is, in essence, from Ford Foundation, which we all know is working to destroy Israel, Judaism and the Jewish Nation. Both Amnesty International and Human Rights Watch are notoriously anti-Judaism and not coincidentally are subsidiaries of, and funded by, the notorious Ford Foundation. Is it any wonder that Jewish leaders - including wonderful rabbis - are being murdered en masse in Israel and across the globe? And do we not see Jews being stripped of their civil rights across the globe? Ford Foundation was there. and there. and there.

Also note that the British Council is also a pawn of Ford Foundation, and has openly supported terrorist groups in Israel.

The end result is that the UK Foreign policies for "the Middle East", and in particular Israel and Jerusalem; are pretty much identical to the Arab and Vatican plans to destroy Israel! They are based on assumptions that Jews do not have civil rights and that our land may be seized at will, despite our being in lawful possession thereof.

You are relying on the Mitchell Report, the Tenet workplan, the Geneva Initiative, and other equally anti-Judaism and anti-democracy in their creation and effect. There is no validity to them, but they are merely excuses to steal land and property from Jews. We have seen the implementation of a Pogrom on Gush Katif, August, 2005, as instructed in the Geneva Initiative. This has caused the loss of property, home and income for 10,000 law abiding and innocent Jews. The real human rights abuse is that this occurred; and that these victims have never been compensated for the financial losses, nor the deep trauma of having beautiful communities destroyed.

The net effect is that the Quartet is not at all "assisting" Israel, but rather is acting in concert to directly destroy the country.

I am of the belief that the current situation, in which British soldiers have been seized by enemies of Western Civilization, has been created by the failure to sufficiently support, or even merely allow to exist, Israel and the Jewish people. Two decades ago, prior to so much dismemberment as in dividing our land; Israel would have prevented and/or effectively and speedily intervened. Since the Quartet has intentionally hog tied us, chaos follows.

Finally, to conclude this note, I protest the UK position on Jerusalem. Jerusalem is an integral part of the Jewish eternal inheritance and no part of it can justly be claimed by any other entity. Further, no single Jew, including a secular prime minister, is authorized by the Great Legislator of the Universe to agree, as in Geneva Accords, etc. - to give up or over even one inch of our land. All efforts and actions towards that end are open expressions of anti-Semitism, hate mongering, and constitute a direct attack on the Jewish People as a Nation.

I hope to have the opportunity to continue to have input and to bring along colleagues who can much better inform you about the true nature of what transpires in the Middle East than the flunkies who work at Amnesty International and Human Rights Watch. Their testimony is, generally, so biased as to be virtually worthless. They should be removed from any lists of qualified submitters relating to Israel and the Middle East.

Thanks for the note back, please circulate this to the entire Foreign Affairs Committee, i.e. to the MPs directly, and not via their staff. I will follow up and assume that they will have all received this as a contextual base.

Thanks again for your time and speedy response.

28 March 2007

**Written evidence submitted by Dr Maria Holt, Research Fellow, Centre for the Study of Democracy,
University of Westminster**

PALESTINIAN REFUGEES IN LEBANON

"Oh people, tell the world about what happened to the Palestinian people. Describe what happened to us".⁵

"I come from Kapri outside Akka. It was bursting with fruits and vegetables. Every valley and mountain was full of grapes, olive trees, figs . . . We fled and left it all behind us. What can we do?"⁶

1. INTRODUCTION

1.1 With the creation of the state of Israel in 1948, between 750,000 and 900,000 Palestinian Arabs fled or were expelled from their homeland to neighbouring areas; approximately 100,000 crossed the northern border into Lebanon.⁷ Today, 59 years later, they are still in Lebanon and still waiting to return. In many ways, the Palestinian refugees residing outside their former homeland have become a "forgotten people". I would argue, however, that, unless a just solution can be found to the plight of the refugees, especially those in Lebanon, the Palestinian-Israeli conflict cannot be satisfactorily concluded.

1.2 According to survivors, the flight from Palestine was a deeply traumatic experience. From interviews I have conducted with Palestinian refugees in Lebanon,⁸ most of the people who went there in 1948 expected to be able to return to their homes in Palestine once the fighting had ended; they took few possessions; many carried with them the keys to their houses. When they first arrived in Lebanon, the refugees lived in tents provided by the international community. Individuals recall the discomfort of this period, the sand, flies and lack of privacy. Gradually, more permanent dwellings were constructed.

1.3 By the 1960s, a Palestinian resistance movement (embodied in the Palestine Liberation Organisation), which contained both political and military components, began to take shape in order to struggle for the right of return. In 1969, the *Cairo Agreement* between the PLO and the Lebanese government gave Palestinians autonomy over their own camps and affairs. For the next 12 years, the living conditions of ordinary refugees improved. They took advantage of better access to employment and enjoyed the benefits of Palestinian institutions.⁹ This period, often referred to as "the days of revolution", ended abruptly in 1982 when Israel invaded Lebanon and expelled the PLO.

1.4 As a result of their insecure status, Palestinian refugees in Lebanon have been subjected to various episodes of violence during their 59-year exile: for example, the siege and massacre of Tal al-Za'ter refugee camp in Beirut by Lebanese Christian groups, 1975–76; the Lebanese civil war, 1975–90; the Israeli invasion and occupation, 1982–85; the massacre of Palestinians in the Sabra and Shatila area of Beirut by members of the Christian Lebanese Forces, 1982; the siege of camps in Beirut and the south by the Lebanese Amal militia, 1985–87.

⁵ Translated from recordings of mourning women made by ABC News in the wake of the Sabra and Shatila massacre, September 1982.

⁶ Fatima Badawi, who fled from Palestine in 1948 with her two daughters, quoted in *Refugee Stories*, Bourj el-Barajne, UNRWA, February 2007.

⁷ UN estimate.

⁸ Between 2000–03 for my PhD thesis and in 2006–07 for an Arts and Humanities Research Council-funded project on Palestinian refugee women in the camps of Lebanon.

⁹ McDowall, David, *The Palestinians*, London: Minority Rights Group, Report No 24, 1987, p 26.

2.0 THE LEGAL POSITION OF PALESTINIAN REFUGEES IN LEBANON

2.1 In recognition of the rights of the Palestinians, the United Nations adopted Resolution 194 on 11 December 1948. It states: “(The General Assembly) . . . resolves that the refugees wishing to return to their homes and live at peace with their neighbours should be permitted to do so at the earliest practicable date, and that compensation should be paid for the property of those choosing not to return and for loss of, or damage to, property which, under principles of international law or in equity, should be made good by the governments or authorities responsible”.

2.2 Through Resolution 194, the General Assembly established the UN Conciliation Commission for Palestine (UNCCP) “to provide international protection for all persons displaced as a result of the 1947–48 conflict and war in Palestine . . . The Commission attempted to provide legal and diplomatic protection for Palestinian refugees during its early years of operation” but, in the mid-1950s, concluded “that it was unable to fulfil its mandate due to the lack of international political will to facilitate solutions for Palestinian refugees consistent with Resolution 194 and international law”.¹⁰

2.3 The main instrument protecting the rights of Palestinian refugees, the Protocol for the Treatment of Palestinians in Arab States (*Casablanca Protocol*) of 11 September 1965, calls on member states of the Arab League to allow Palestinian refugees the right of employment and the right to leave and return to the states in which they reside. But this “has been patchily implemented”.¹¹

2.4 In May 1950, a special agency, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was created to “to provide emergency assistance to the hundreds of thousands of destitute Palestinians who had been uprooted as a result of the 1948 Arab-Israeli conflict”.¹² It provides free schooling to refugee children between the ages of six and 16, basic medical care, and relief services. UNRWA’s mandate permits the organisation to operate only at the discretion of the host government, which means it is entitled to provide assistance but not protection to the refugees.

2.5 Unlike other refugees in the world, “Palestinians are singled out for exceptional treatment in the major international legal instruments which govern the rights and obligations of states towards refugees: the 1951 Geneva Convention Relating to the Status of Refugees (Refugee Convention) and its 1967 Protocol (Refugee Protocol); the Statute of the United Nations High Commissioner for Refugees (UNHCR); and, specifically with regard to the Palestinians, the Regulations governing the mandate of . . . (UNRWA)”.¹³ The relevant provisions of these instruments have been interpreted as restricting the rights of Palestinians as refugees in comparison to the rights of other refugee groups and, as a result, “Palestinian refugees have been treated as ineligible for the most basic protection rights guaranteed under international law to refugees in general”.¹⁴

2.6 The denial of rights, as the Palestinian Human Rights Organisation in Beirut notes, “has prevented the Palestinian refugee community from prospering and has placed them on a course of de-development”.¹⁵ PHRO believes that “Palestinians must be recognised as refugees, not aliens, and granted the rights outlined in such covenants as the 1951 Geneva Convention on Refugees, and more broadly, the International Covenant on Social, Economic and Cultural Rights”.¹⁶ Such moves would in no way compromise, as many in the Lebanese government argue, Lebanese support for the right of return.

3. POLICIES OF THE LEBANESE GOVERNMENT TOWARDS PALESTINIAN REFUGEES

3.1 Initially regarded as temporary guests in Lebanon, the Palestinian presence soon grew problematic. After ten years, as it became apparent that the Palestinians’ stay would be longer than anticipated, a Department of Affairs of the Palestinian Refugees was created, as an office within the Lebanese Ministry of the Interior, to cope with the refugee population. Although it has “responsibility for administering the Palestinian presence in Lebanon”, there is no obligation to provide basic social services—that is left to UNRWA.¹⁷ Under the Law Pertaining to the Entry Into, Residence In and Exit from Lebanon, of July 1962, Palestinian refugees are defined as “foreigners” and not allowed to work without a work permit. In 1994, only 0.14% of a potential workforce of 218,173—approximately 350 people—obtained work permits; a further 4.86% worked the restricted fields; the remaining 95% were either unemployed or casually employed in the informal sector.¹⁸

¹⁰ BADIL, Palestinian Refugees—International Protection, www.badil.org/Protection/Protection.htm

¹¹ Elsayed-Ali, Sherif, *Palestinian refugees in Lebanon*, Forced Migration Review, Issue 26, August 2006, p 13.

¹² Hansen, Peter, UNRWA Commissioner-General, *Building on Success: 52 Years of Work to Protect and Promote the Health of Palestine Refugees*, first published 1998.

¹³ Akram, Susan M, *Reinterpreting Palestinian Refugee Rights under International Law, and a Framework for Durable Solutions*, BADIL—Information and Discussion Brief, Issue No 1, February 2000.

¹⁴ Akram, *Reinterpreting Palestinian Refugee Rights under International Law*.

¹⁵ PHRO, Political and Legal Status of Palestinian Refugees in Lebanon.

¹⁶ PHRO, Political and Legal Status of Palestinian Refugees in Lebanon.

¹⁷ Said, Wadie, *The Status of Palestinian Refugees in Lebanon*, The Center for Policy Analysis on Palestine and The Jerusalem Fund, May 1999.

¹⁸ Said, *The Status of Palestinian Refugees in Lebanon*.

3.2 Besides the difficulties that Palestinians face in finding employment, they are prevented from participating in most sectors of society. In the field of higher education, Palestinian refugees must compete with other non-Lebanese students for the small number of places available to foreigners at Lebanese educational institutes. In April 2002, tuition fees for foreign students, who include Palestinian refugees, were tripled. Palestinians, like other non-nationals in Lebanon, do not receive equal treatment in the court systems because they are denied access to the judicial support fund and therefore unable to afford legal representation. Lebanese law prevents non-nationals, including Palestinian refugees, from forming representative bodies, such as unions or syndicates, or electing political representatives. A law passed in April 2001 requires that anyone owning property in Lebanon must be a citizen of an “established state”; as Palestinians are stateless, they are not allowed to own land in Lebanon. The Lebanese government has prohibited structural development services within the refugee camps which means, firstly, camps destroyed during the Lebanese civil war cannot be rebuilt; secondly, damaged or demolished houses within the camps cannot be repaired; and, thirdly, new camps cannot be constructed nor existing camps expanded.¹⁹

3.3 Far from treating the refugees more humanely, in 1995 the Lebanese authorities “decided that all Palestinians holding Lebanese travel documents . . . would henceforth require visas to enter the country. (This) ruling means effectively that these *laissez-passer* holders no longer have the legal right to reside in Lebanon, or indeed anywhere else in the world”.²⁰ These additional restrictions on travel and residency have been imposed, say critics, “to encourage their permanent departure”.²¹

3.4 The present Lebanese government has discussed ways of improving the lives of Palestinian refugees, such as giving them Lebanese nationality or relaxing employment laws but, as its own situation is now somewhat precarious, such ideas are currently suspended. Many of the refugees to whom I spoke were sceptical about Lebanese government intentions.

4. CURRENT REALITY FOR REFUGEES

4.1 According to recent figures, there are now 405,425 Palestinian refugees registered with UNRWA in Lebanon; of these, the majority (214,093) reside in 12 camps scattered throughout the country.²² The refugees, who are mainly Sunni Muslims, represent approximately 10% of the population of Lebanon and are regarded as a threat to the country’s delicate demographic balance. They can be divided into three groups: those registered with both UNRWA and the Lebanese government; those registered with the Lebanese government but not with UNRWA; and those not registered at all. There are several thousand refugees not registered by UNRWA; they receive only minor services from UNRWA and no assistance from the Lebanese government.²³ During my fieldwork, I met several young people without legal identity. Besides being unable to travel or enrol in higher education, they cannot even get married and are reluctant to move outside camps for fear of being arrested.²⁴ The annual growth rate among Palestinians in Lebanon is 2.3%, the lowest among all five UNRWA fields of operation.²⁵ An estimated 60% live below the UN poverty line, although the real figure is probably higher. The “illiteracy rate is high among adult Palestinians in Lebanon and may be rising as increasing numbers of refugee children drop out of school”.²⁶ A large number of the refugees in Lebanon have been displaced at least twice in their lifetimes, as a result of civil war, invasion by Israel, and violent attacks by various groups on the camps and their residents. It is estimated that the community may have lost between 50,000 and 60,000 people in casualties and out-migration since the Israeli invasion of 1982.

4.2 Since the Oslo agreement between the Palestine Liberation Organisation and the government of Israel, in September 1993, funding for Palestinian refugees living outside the country has declined significantly. In May 1997, Canada—the Gavel Holder for the Refugee Working Group—led an International Mission, which included representatives from the EU, Egypt and Japan, “to assess and give profile to the needs of Palestinian refugees, and to mobilise international humanitarian assistance”.²⁷ The Mission discovered the mood of the refugees in Lebanon to be “one of despair, hopelessness and increased frustration”.²⁸ The first consideration, they suggested, should be humanitarian issues.²⁹

¹⁹ Palestinian Human Rights Organisation, Political and Legal Status of Palestinian Refugees in Lebanon, Beirut.

²⁰ Khalidi, Muhammad Ali, *Palestinian Refugees in Lebanon*, Middle East Report, November-December 1995, p 28.

²¹ Zakharia, Leila, *Palestinian Refugees in Lebanon*, Outsider, October 1996.

²² UNRWA, 31 March 2006.

²³ Palestinian Human Rights Organisation (PHRO), The Palestinian Right to Work and Own Property in Lebanon, Beirut, April 2003, p 3.

²⁴ Petrigh, Cynthia, *No freedom, no future: undocumented Palestinian refugees in Lebanon*, Forced Migration Review Issue 26, August 2006, p 15.

²⁵ UNRWA fields of operation: West Bank and Gaza Strip, Jordan, Lebanon and Syria.

²⁶ Arzt, Donna E, *Refugees into Citizens: Palestinians and the End of the Arab-Israeli Conflict*, New York: The Council on Foreign Relations, 1997, p 46.

²⁷ Refugee Working Group, Department of Foreign Affairs and International Trade, Canada, Missions to Refugee Camps, “More than US\$15 million mobilised as a result of the International Mission to Lebanon”, 1998.

²⁸ Report of the International Mission to Lebanon.

²⁹ Report of the International Mission to Lebanon.

4.3 The health situation in the refugee camps of Lebanon is a matter of grave concern. All the camps are severely overcrowded and Lebanese government restrictions prevent families from extending their houses. Cramped living conditions, inadequate sewerage systems and the lack of piped water into homes mean that infections spread quickly. Many of the medical problems experienced by camp residents, including children, can be attributed to poor environmental conditions and also feelings of profound anxiety about the future. Very high unemployment means that a high proportion of people are dependent on the free health care provided by UNRWA, which operates clinics inside the camps. Although consultations are free, the clinics are usually understaffed, which means patients may have to wait for a long time to see a doctor. Medication is also free, but often not available. One of the main problems facing refugees is a lack of affordable hospital care. UNRWA is able to cover only a fraction of hospital costs and, therefore, patients must find the rest of the money themselves, a situation certain to cause immense hardship to poor families.³⁰ Besides UNRWA, the Palestine Red Crescent Society (PRCS), which was founded in Lebanon in 1969, as a humanitarian affiliate of the PLO, also provides health care to the refugee community. In 1996, the PRCS conducted a survey to assess the health needs of the refugees. They discovered that deteriorating economic conditions and the resulting widespread poverty were significant contributory factors to a deteriorating health situation. In addition, the effects of long-term exile were blamed for an increase in psychological problems.³¹

5. POSSIBLE SOLUTIONS

5.1 There are three key areas of responsibility to bear in mind when considering the plight of Palestinians in Lebanon: firstly, the responsibility of Israel in creating the Palestinian refugee problem and subsequently exacerbating it; secondly, the responsibility of the international community, through the non-enforcement of United Nations resolutions, specifically UN Resolution 194; and, thirdly, the responsibility of the Lebanese government, which is currently failing to meet its international legal obligations with respect to the refugees.

5.2 The plight of the Palestinian population in Lebanon goes far beyond humanitarian concerns and the refugees insist that their problems should not be considered only in these terms. There are also political and national dimensions, and I would argue that attempts by Israel and some western countries to remove from the agenda of the Palestinian-Israeli peace process the question of Palestinian refugees, their rights and their future is both out of step with the treatment of refugees elsewhere (for example, Macedonia, Sierra Leone, Rwanda, Burundi, Kosovo, Cambodia and Bosnia-Herzegovina) and unlikely to contribute towards an acceptable resolution of the Palestinian-Israeli conflict.

5.3 The majority of refugees in Lebanon, most of whom originally came from northern Palestine, insist upon the right of return, which is a right guaranteed under international law, to their original homes, now situated in Israel, a claim so far rejected by the Israeli government. In the meantime, the Lebanese government is keen to see an end to this long-running tragedy, both for the sake of the refugees themselves and also for the future of Lebanon, a country with a small population, limited territory and a finely balanced demographic structure.

5.4 According to those concerned with Palestinian refugee rights, there are three possible solutions to the problem: resettlement in a third country, local integration in the country of asylum, and voluntary repatriation. Of these, "[v]oluntary repatriation—or return—is often referred to as the preferred solution".³² When asked about their own preferences, Palestinian refugees in Lebanon, with few exceptions, will insist on their right to return to their country (and by that they mean the areas from which they or their families originally came and not some future Palestinian state in the West Bank and Gaza Strip)

6. RECOMMENDATIONS

6.1 My recommendations fall into two categories: those concerned with the internationally-recognised rights of the Palestinian refugees and those referring to their right to live in comfort and dignity in their temporary place of refuge.

6.2 The right of return for Palestinian refugees and their descendants and the question of compensation for those who do not wish to return must be placed firmly back on the agenda of the Palestinian-Israeli peace process. The government of Israel should be encouraged, in the interests of securing a genuine and lasting peace, to reconsider its rejection of Palestinian refugee rights and to reach a compromise with the Palestinians.

6.3 The refugees themselves have a right to play a role in decisions about their future. In the past, they "were more often than not considered in terms of humanitarian assistance rather than individuals with rights and as legitimate actors in the peace process. They were assessed, surveyed, quantified, classified, but few

³⁰ Information supplied by Rebecca Roberts of the University of York, who conducted fieldwork in the refugee camps of Lebanon from September to November 2000 for her PhD.

³¹ Information provided by Medical Aid for Palestinians (MAP) Lebanon, November 2000.

³² Elsayed-Ali, Sherif, *Palestinian refugees in Lebanon*, Forced Migration Review, Issue 26, August 2006, p 13.

policymakers, diplomats or commentators bothered to ask and listen to the refugees themselves about how they envision a solution to their plight”.³³ Representatives of the refugees must be included in any final status negotiations.

6.4 The role of UNRWA should be strengthened so that it is capable of providing effective protection (and not merely assistance) to Palestinian refugees. This means that the terms of its mandate need to be amended. The organisation’s sources of funding also need to be secured so that it can budget more efficiently for the needs of the refugees. This would contribute towards restoring confidence in the organisation on the part of those it is meant to help.

6.5 A particular area of concern, expressed to me by many refugees, is the lack of security in old age. Those who work for Lebanese employers are not entitled to pension provision and, as a result, the elderly are entirely dependent on their families. It would be useful for UNRWA to look into the possibility of providing financial support to older members of the refugee community.

6.5 Until the refugees are able to exercise their right of return, “they should be able to enjoy access to essential services and exercise their rights to work, education, healthcare and property ownership”³⁴ in Lebanon. The Lebanese government should be encouraged in its efforts to improve the legal conditions under which refugees live so that they may take advantage of better access to health, education and employment. Such measures would make an enormous difference to their physical and psychological well-being.

March 2007

Written evidence submitted by The Church of England, Mission and Public Affairs Council

1. The Church of England welcomes the opportunity to respond to the first phase of the Foreign Affairs Committee’s Inquiry into Global Security dealing with the Middle East. The Mission and Public Affairs Council of the Church of England is the body responsible for overseeing research and comment on social and political issues on behalf of the Church. The Council comprises a representative group of bishops, clergy and lay people with interest and expertise in the relevant areas, and reports to the General Synod through the Archbishops’ Council.

CONCLUSIONS AND RECOMMENDATIONS

2. We conclude that the migration of Christians from the Middle East is due to a multiplicity of factors. This migration threatens the Church’s existence as a viable and sustainable community in the region and it reduces the valuable contribution that the Church makes to the diverse fabric of Middle Eastern society. We conclude that the continued exodus of Christians from Iraq and the wider region diminishes the Church’s leverage to contribute effectively to initiatives aimed at promoting peace and reconciliation as called for by recommendation 36 of the Baker Hamilton Report. We recommend that it would ease the deeply troubling situation if the British government refrained from portraying its policies as part of a wider struggle for “our western values” inferentially against the values of Islam and the East. (Paragraphs 12–18)

3. We conclude that any recalibrated strategy to Iraq needs to take seriously the reality that Iraq is a failed state in the grip of a sectarian civil war that threatens Iraq’s territorial integrity and wider regional escalation. Against this background we recommend that the government clarify what role the remaining British troops will play in Southern Iraq following the draw down and whether they are properly resourced to do so. We further recommend that the government needs to develop its case much more effectively to avoid the potential propaganda victory that the draw down offers to jihadists. Given the litany of errors in planning for the post war, we also recommend that an independent inquiry be set up to draw out lessons to be learnt should Britain ever have cause to intervene again elsewhere in the world. (Paragraphs 19–30)

4. We conclude that the government is right to take seriously the threat posed by Iran whether because of its nuclear programme, its support of non-state actors in the Middle East or its aggressive attitude to British servicemen working under a UN mandate in the northern Gulf. The Iranian government must recognise that the pursuit of policies unacceptable to the international community is not cost free. We conclude that a diplomatic and political solution is the only viable and sensible solution to the issue of Iran’s nuclear capability. We recommend, however, that the efforts to isolate Iran politically and economically needs to be balanced by a more effective strategy of diplomatic engagement with Iran as to its security concerns. We further recommend that the effective policy response should be to analyse and address Iran’s genuine security concerns, but without underwriting its hegemonic pretensions. We accept that a further tightening of the UN sanctions regime might be necessary, but we recommend that careful thought and attention is given to ensuring that the UN sanctions regime does not impact negatively on civil society relations. (Paragraphs 31–41)

³³ BADIL Resource Centre, “Palestinian Refugee Participation”, www.badil.org/Refugees/participation.htm

³⁴ Elsayed-Ali, *Palestinian refugees in Lebanon*, p 14.

5. We conclude that the British government's position at the time of the 2006 Lebanon war has tarnished Britain's image in the region and has diminished its ability to act as an honest broker. We recommend that rather than prioritising Hezbollah's disarmament, which has made more fragile Lebanon's national dialogue, the UK government should seek to strengthen that national dialogue, including if necessary further diplomatic engagement with Iran and Syria. As the government's own experience in Northern Ireland showed, disarmament is a goal that can only be reached by patient and painstaking negotiations probably taking years, and not at a stroke by a UNSC resolution, external military intervention or by government decree. (Paragraphs 42–51)

6. We conclude that despite the significant progress that has been made over the last 50 years in securing peace in the Middle East, the underlying causes of the conflict remain constant: namely the failure of both parties to recognise the grievances of the other, specifically the humiliation and suffering caused by continued occupation, and the fear felt by Israelis at continued violence and terrorism. We recommend that the Quartet balance its demands that the Palestinian Authority control the internal security situation, with equally strong demands upon the Israeli government to cease settlement activity. We further recommend that the government re-assess its policy towards Hamas following the establishment of the Government of National Unity and that it should judge the Government of National Unity by results. To do otherwise, risks undermining further the previously accepted and widely held notion of a viable two-state solution. (Paragraphs 52–63)

7. We conclude that many Islamist movements in the Middle East will rightly remain a key focus of attention to those seeking to prevent terrorist attacks against European and North American targets. However, the use of terms such as "Reactionary Islam", "Radical Islam" and "Moderate Islam", in the government's public diplomacy is unhelpful and needs further clarification. At present the government runs the danger of labelling all Islamist movements and organisations as dangerous and hostile, ignoring the significant divergence of views and strategies that exist along the Islamist spectrum. We recommend that if the government is serious about its commitment to strengthening the cause of moderation in the Middle East then it needs to engage more constructively with mainstream Islamist movements. These movements will continue to provide the bedrock of political opposition for the foreseeable future and they are likely to be the immediate beneficiaries of any political reform. We recommend further that the government look to the Barcelona Process to encourage further the pace of economic, social and political reform in the region. (Paragraphs 64–78)

THE GOVERNMENT'S INTERNATIONAL PRIORITIES IN THE MIDDLE EAST

8. The government's White Paper of March 2006, *Active Diplomacy for a Changing World: The UK's International Priorities*, establishes a new set of strategic international priorities which build on those set out by the Foreign and Commonwealth Office in its first White Paper on the UK's international priorities, 2003. The Prime Minister expounded further on the strategic priorities underpinning British foreign policy in his speech to the Los Angeles World Affairs Council, 1 August 2006, and in his HMS Albion lecture, 12 January 2007. The cumulative effect of these policy pronouncements is to commit the UK to a values' based foreign policy that rejects "benign inactivity" in favour of an interventionist strategy that confronts extremist and reactionary views in the Middle East by defeating terrorism and by promoting democracy and progress.

9. The Middle East engages every aspect of our foreign policy, not just our security with regard to conflict, proliferation and terrorism, but the security of our economy. It is a region of the world that is central to the deeper goal of building a safe, just and prosperous world for all. The growing links between domestic and international issues means that British foreign policy to the Middle East impacts as much upon the UK's well being as it does on the security and prosperity of the Middle East. This interdependence of concerns necessitates a comprehensive and integrated foreign policy that carefully balances its use of soft and hard power in a way that recognises the inter-linkage of the challenges and the diversity of Middle Eastern societies. This entails guarding against seeing the region's problems as *sui generis* and therefore beyond rationalisation, and the temptation to reduce the region's problems to over-riding explanations that legitimate simplistic policies.

10. Against this background, we remain concerned at the shape and direction of British foreign policy to the Middle East. While it has been right for Britain to counsel its European allies of the dangers of US isolationism, it is far from clear what political dividend Britain has accrued through its uncritical relationship with the US. British foreign policy to the Middle East increasingly appears to accept and echo the US conflation of complex and separate issues into a "global war on terrorism", now rephrased as "the long war". Despite the Prime Minister's 1 August 2006 Los Angeles speech, British foreign policy in the region is widely seen there as far from even-handed, fair and just in its application of the values of moderation. The renaissance of strategy called for by the Prime Minister appears, publicly at least, to rely more on hard rather than soft power. The net impact has been increased isolation in Europe and a reduction of Britain's influence and political capital in the Middle East.

11. We suggest that the expected draw down of British troops from Iraq allied to the political transitions in British politics provides an important opportunity for Britain to recalibrate its foreign policy to the US and Europe as well as to the Middle East. The strategic challenges identified by the 2006 White Paper will

remain constant, but the next Prime Minister will hopefully, by virtue of being able to move beyond the recent history of the Iraq war, be better positioned to affect the necessary change in British foreign policy to respond more effectively to the region's challenges.

THE CHURCH OF ENGLAND AND ITS RELATIONSHIP WITH THE MIDDLE EAST

12. This submission draws upon the multiple relationships that the Church of England has with the Middle East in general and the Episcopal Church in Jerusalem and the Middle East in particular. The latter is a Province of the Anglican Communion stretching from Iran in the East to Algeria in the West, and Cyprus in the North to Somalia in the South. Geographically it is the largest and most diverse Anglican Province. The Province consists of some 30,000 practising Anglicans. There are churches throughout this area, mostly looked after by indigenous clergy, as well as schools, hospitals and other foundations—many of them in places where poverty, civil strife and religious problems are commonplace.

13. The Church of England through its dioceses, mission agencies and development agencies supports the ministry and mission of the Episcopal Church in Jerusalem and the Middle East. A number of Church of England dioceses have active companion links with particular churches or diocese in the region. Mission agencies such as the Church Mission Society, the United Society for the Propagation of the Gospel and the Mothers' Union provide financial assistance to particular projects like the Ahliyyah Girls School in Amman, Jordan, the Princess Basma Centre for the Handicapped in Jerusalem and kindergarten facilities associated with St George's, Baghdad and the Ahti-Arab Hospital in Gaza.

14. The Episcopal Church in Jerusalem and the Middle East has always been affected by political developments in the region. However, developments in the Middle East since September 2000, including amongst others the second intifada, the geopolitical fallout of 9/11, the regional instability caused by the 2003 Iraq war and more recently the 2006 Lebanon war have all placed additional strains upon the indigenous Church. The most visible expression of this strain is the accelerated migration of Christians of all traditions away from their homelands.

15. This migration threatens the Church's existence as a viable and sustainable community in the region. It substantially reduces the valuable contribution that the Church makes to the diverse fabric of Middle Eastern society. Left unchecked it risks reinforcing the myth, both in the East and the West, that the underlying tensions in the region are part of an irreconcilable clash of faiths and cultures. The situation on the ground is somewhat different from that envisaged by the Prime Minister in his 1 August 2006 speech.

16. There are strategic dimensions to this development. The Iraq Study Group noted, in recommendation 36 of its report, the contribution that religious communities and leaders can make in fostering dialogue and reconciliation across the sectarian divide. One example of this contribution is provided by the Maronite Church in Lebanon, which was widely acknowledged as offering the most promising of schemes for a lasting peace during last summer's conflict.

17. We remain committed to developing inter-religious dialogue in the region and supportive of efforts to form inter-religious councils in particular countries such as Iraq and Israel and the Occupied Palestinian Territories. However, we fear that the continued exodus of Christians from Iraq and the wider region diminishes the Church's leverage to contribute effectively to initiatives aimed at promoting peace and reconciliation. Efforts to strengthen the position of the local Church through re-energising the diverse set of relationships that exist remain a key priority. However, while an important act of solidarity such efforts can offer little more than a band aid given the multiple problems that the local Church faces.

18. The Archbishop of Canterbury, following his pilgrimage to the Holy Land in December 2006, has expressed his concern that Western interventions in the Middle East, most notably in Iraq risked jeopardising further the position of Middle Eastern Christians by reinforcing the perception of them as supporters of a crusading West. In this statement he was repeating the concerns expressed four years ago, in October 2002, in the Church of England's House of Bishops' submission to the Foreign Affairs Select Committee. It would ease this deeply troubling situation if the British government would refrain from portraying its policies as part of a wider struggle for "our Western values", inferentially against the values of Islam and the East.

IRAQ

19. On 21 February 2006 the British government announced its intention to hand over to the Iraqi government responsibility for all of the southern provinces under its jurisdiction by November 2007 and to start drawing down its troops. We support the government's view that this withdrawal should be related to the situation on the ground, not held hostage to an artificial timescale. However, the government must also ensure that any withdrawal does not lead to a renewal of conflict or create a situation where those remaining British troops are not adequately equipped to provide for their own protection should they come under attack. To this end the government needs to clarify what role the remaining troops will be able to play in the South, especially on the borders with Iran, and whether they are properly resourced to do so. The recent Iranian seizure of British servicemen in the northern Gulf dramatically underlines the potential vulnerability of British forces, even when operating under a UN mandate.

20. British foreign policy in Iraq appears trapped between the intractability of the situation on the ground and the US determination to “stay the course”. Despite the initial welcome given by the UK government to the Iraq Study Group Report it appears to have had little influence in impressing the report’s analysis and recommendations on either the American or Iraqi government. The anticipated draw down of British troops provides the government with an opportunity to recalibrate its foreign policy objectives to Iraq. In our view this needs to take as its starting point the reality that Iraq is a failed state in the grip of a sectarian civil war. There is therefore a serious threat to Iraq’s territorial integrity and a continuing risk of wider regional escalation.

21. Whilst the government acknowledges the seriousness of the security situation, it has consistently refused to describe the situation as constituting a civil war. Yet by any military index the annual number of civilian casualties, even those at the lower range of estimates, exceeds the accepted casualty threshold of what constitutes a civil war. It is true the violence is fragmentary and complex, involving a multiplicity of sources. But that should not conceal the reality that the civil war is tearing apart such residual inter-communal cohesion as Iraq experienced before 2003. The nature of the violence, involving as it does extra judicial killings and torture, and the associated population movements (1.8 million internally displaced Iraqis since 2003, with an average of 45,000 Iraqis leaving their homes every month) constitute a form of “cleansing”—the forced separation on sectarian and ethnic lines of major cities with mixed populations.

22. The UK government is right to assert that terrorism predates the 2003 Iraq war, and that the majority of the violence witnessed in Iraq is sectarian in nature. Yet, evidence suggests that Al Qaeda, having been evicted from its safe haven in Afghanistan, has taken advantage of the chaos in Iraq to set up new training grounds for *jihadi* terrorists, most notably in the Anbar Province. Arguably the greatest impediment to prospective gains in the “war on terror” is the galvanising effect the Iraq occupation has had on terrorist recruitment, morale and capability. It has reinforced Al Qaeda’s grand narrative depicting the US and the UK as seeking to establish Western hegemony in the region.

23. The radicalisation of some sections of European Muslim society, already evident prior to the Iraq war (due to issues like Israel-Palestine, Kashmir and Chechnya) has been confirmed and intensified by the ongoing occupation of Iraq. The war has given an opportunity to radical Muslims, both in Europe and in the Middle East, to attach their own local particular concerns onto a wider global contest. There are no accurate predictions of the number of European Muslims believed to have joined the *jihadi* in Iraq, but those who do return are likely to possess a significant body of knowledge and experience. Returning *jihadists* to Jordan, Egypt and Saudi Arabia have already illustrated their appetite for destruction, as shown for example by the suicide bombings in Amman, Jordan in November 2005.

24. British public diplomacy and the manner in which it has framed the strategic narrative to events in Iraq appear inappropriate to the situation that has now developed. This is in part due to the flawed narrative that the government used to frame its policy decisions at the time of the 2003 Iraq war. The government has claimed that its anticipated draw down of troops reflects the success of Operation Sinbad. The *jihadists* argue the drawn down is in fact a humiliating withdrawal. If the government is to avoid the potential propaganda victory that the draw down offers to the *jihadists* it will need to develop its case much more effectively.

25. The government’s public reluctance to acknowledge the reality that there is a civil war has meant that its policies have sometimes appeared misguided and counterproductive. The origins of Iraq’s civil war lie in the collapse of the authority and structure of the state and its administrative incapacity following the US-led invasion to provide for the security and well being of the Iraqi people. Politics in Iraq has become simultaneously more local and international, involving a dispersal of power and authority to local communities and foreign capitals. The removal of the state as a focus and instrument of identity formation has resulted in the emergence of sub-state and ethnic identities often involving self-legitimising hybrid ideologies (sectarian, religious and nationalist) backed up by militia force.

26. It is crucial to understand that religion *per se* is not the cause of the violence. The violence is a result of the lack of post-war planning prior to the invasion, resulting in misguided policies that have contributed to the hollowing out of the Iraqi state. Iraq’s civil war was not an inevitable consequence of the 2003 invasion. The litany of mistakes committed in post-war planning warrant the need for an independent inquiry in order to ensure that the necessary lessons can be learnt should Britain ever have cause to intervene again elsewhere in the world.

27. The government is right to stress that Iraq’s Government of National Unity is very recently formed and that governing by coalition is never easy. However, the intensive effort in 2005 to build an electoral system to empower Iraq’s Government of National Unity has exacerbated the sectarian violence. The electoral system resulted in the creation of large coalitions, most of which have played to the lowest common denominator by deploying ethno-sectarian rhetoric. Repeated statements from Iraqi government ministers recognising the need for national reconciliation contrasts with the way in which government ministries continue to be run as personal and party fiefdoms, often along aggressively sectarian lines, with scarce government resources diverted to build personal and party constituencies.

28. Reversing this trend requires a strong government with a monopoly on coercion with administrative capacity to give it legitimacy. There is little evidence to suggest that such a development is imminent or likely. The Iraqi government’s rejection of the underlying analysis provided by the Baker-Hamilton underlines how elusive national reconciliation remains. It is difficult therefore to see how the deployment of additional US

troops to the country can offer anything other than a temporary relief from the chaos. Whether or not there is progress towards national reconciliation, any Iraqi government is likely to want military and economic assistance from the broader international community for the foreseeable future. The mix between economic and military assistance might change, but Iraq's dependency upon the international community will not.

29. The primary objective of future British foreign policy to Iraq must be to ensure that the chaos in Iraq does not spill over into a broader regional conflict that risks politicising further the growing Sunni-Shiite divide in the region. This scenario is best avoided by intensifying the efforts towards national reconciliation in Iraq. In the absence of such progress, active consideration needs to be given to whether a move towards a negotiated federal structure might be a desirable solution. Ultimately, however, given that Iraq as a territorial unit is a recent and artificial construction that has only been maintained through strong government, the continuing absence of a strong and effective government in Iraq might necessitate a managed partition of the country.

30. Although not an ideal solution, a managed partition involving Iraq's neighbours would be preferable to the current *ad hoc* and bloody partition which risks seeing Iraq's factions being used as vehicles for a proxy war between Shiites and Sunnis in the region. Whatever the future status of Iraq, it is evident, as noted by the Baker Hamilton report that it must involve the active support and participation of Iraq's neighbours buttressed by a re-energised commitment from the wider international community. Similar steps were taken with Dayton to provide for Bosnia, and a comparable agreement with Afghanistan's neighbours underpins the status and borders of that country.

IRAN

31. The government is right to argue that Iran's refusal to comply with United Security Council resolution 1737 is an issue of regional and international concern. In the absence of effective guarantees Iran's nuclear programme, allied to its missile programme, represents a serious security threat to the region as well as to the wider non-proliferation system. Further nuclear proliferation in the Middle East is wholly undesirable. Iran's relationship with Hezbollah in Lebanon, Hamas in the Palestinian Occupied Territories and Shia militia in Iraq complicates the moves towards regional peace and security. The deteriorating situation in Iran with regard to human rights and the diminished space in which civil society operates underlines the fragility of Iran's political system at a time when the country is experiencing declining economic performance. The prospect of Iran crossing the nuclear threshold, at a time when its long-term stability is in question, is a matter of grave concern. The Iranian government must recognise that the pursuit of policies unacceptable to the international community is not cost free.

32. What is likely to be the most effective response to these serious concerns? Will Iran's further isolation, economically and politically, resolve the current crisis? Although it is too early to assess the economic and political impact of UNSC resolutions 1737 and 1747, Iran, despite its best diplomatic efforts, now stands isolated internationally. There is, however, always a risk in such situations that an incremental toughening of the UN backed sanctions regime will strengthen the Iranian government domestically by providing it with an opportunity to explain away its own economic mismanagement. This could lead to an unhelpful mobilisation of popular support in favour of the intransigence of the Iranian government, at a time when there is mounting popular and political criticism of President Ahmadinejad's domestic and foreign policies.

33. To avoid the danger that UN sanctions might prove counter-productive, it is essential that the government, working with its EU partners, better explain its policies to a wider Iranian audience. This could be done by use of existing programmes, such as the ERASMUS MUNDUS programme, to strengthen the message that these policies are targeted at the current Iranian government rather than the Iranian people. The government's decision to provide funds for the creation of a BBC Farsi TV channel is a positive development. It should explore further other additional ways of strengthening the links with Iranian civil society.

34. Our own ongoing engagement with Iranian civil society, most notably through the Institute for Interreligious Dialogue in Tehran and certain seminaries in Qom demonstrates that some sections of Iranian civil society are willing and able to engage with third parties in a way that is often overlooked by Western governments and media. It would be particularly unfortunate if such civil society relationships were lost as a consequence of the hardening of diplomatic positions.

35. We are encouraged that the Prime Minister has stipulated that a diplomatic and political solution is the only viable and sensible solution to the issue of Iran's nuclear capability. Only a clear and imminent threat from Iran could justify a military attack. To the best of our knowledge and belief there is no such threat. However, we do recognise that the UK government needs to take prudent precautionary measures to ensure that Iran's increased political and economic isolation does not lead either to the Iranian government increasing its support for regional non-state actors or to it adopting policies in Iraq that are counter productive and damaging to regional security and stability.

36. We are therefore concerned at reports that the US naval build up in the Gulf has led to Iran actively strengthening Hezbollah militarily. This increases the risk that Iran and the international community will become embroiled in a series of proxy wars, as occurred in Lebanon in 2006. Similarly, Iran's seizure of British military personnel who were operating under a UN mandate in the Northern Gulf, although totally

unwarranted and unjustified, reveals the inter linkage of issues and concerns. Both actions are deeply damaging to the region as well as the prospects of a negotiated settlement between Iran and the international community.

37. Economic sanctions alone will not resolve the problems with Iran. A more effective carrot and stick policy is needed which recognises that recent changes in the Middle East have boosted Iran's self-perception as the hegemonic power in the region, but in a way that leaves many of its security concerns unaddressed. The effective policy response should be to analyse and address Iran's genuine security concerns, but without underwriting its hegemonic status. The June 2006 proposals by the P5 + 1 countries (the five permanent UN Security Council members and Germany) provide Iran with the possibility of a modern civil nuclear power industry and offer a basis for wider co-operation. We believe, however, that the agreement fails sufficiently to address Iran's legitimate security needs, offering only a new political forum to discuss security issues. What is needed is a more effective package of incentives and disincentives, which seeks to both engage and contain Iran. The successful negotiations between the international community and North Korea offer a potential model for further engagement.

38. All too often the UK government portrays Iran's nuclear programme as irrational and ideologically driven. This is an inadequate analysis. There are clear ethical and political reasons for trying to understand more accurately what is motivating the Iranian government. Ethically, it ensures that we do not dehumanise our neighbours or those who threaten us. Politically, it opens up a range of activities from diplomacy and constructive foreign policies, to agreements and confidence building measures, including addressing long standing grievances that are critical to achieving the common good, including the good of the perceived adversary.

39. We do not suggest that Iran's regime and ideology poses no threat to Western values and interests. Iran's recent seizure of British sailors clearly illustrates that it does. That the threat can be overstated does not mean that it does not exist. But it does suggest the need to dispassionately and rigorously assess that threat and then develop an appropriate policy response designed to contain or remove that threat. We are encouraged that the House of Commons Foreign Affairs Select Committee has decided to launch a separate inquiry on Iran following the seizure of the British sailors.

40. The Baker-Hamilton report underlined the importance of negotiating with Iran other than on the streets of Baghdad. It is neither in the US nor Iran's interests for Iraq to descend further into civil war. Given that Iran, of all of Iraq's neighbours, has the most leverage in Iraq, it is encouraging that the US participated in a regional conference in Baghdad involving Iran and Syria and that a subsequent regional conference has been planned in the near future. This needs to be built upon.

41. The focus of these conferences is rightly on Iraq, but it is to be hoped that they will provide the basis for more constructive engagement on other issues. It would be deeply damaging if Iranian co-operation on Iraq was rewarded with a "axis of evil speech", as occurred following Iranian cooperation on Afghanistan. However, before dialogue with Iran can be taken forward, the issues arising from her illegal seizure of British personnel operating a United Nations mandate in the Northern Gulf will have to be resolved. This means both obtaining their release and firm assurances that there will be no repetition of such action.

LEBANON

42. Like all nations, Israel has an unquestioned and legitimate right to self-defence. The issue is whether its response to Hezbollah's cross-border incursion of 12 July 2006 was proportionate, reasonable and just. Our judgement is that Israel's use of military force to press the release of two captured soldiers was excessive and an unwise over reaction. It was also ineffective. It left unexplored the possibility of a diplomatic solution. The decision to widen the war aims from neutralising the Hezbollah threat, to punishing the Lebanese people as a whole, by destroying much of the country's infrastructure, was self-defeating. Such action weakened the capacity of the Lebanese state to provide for the well being of its population. This, consequently, has made more stark Lebanon's sectarian divide. The war also highlighted particular deficiencies within Israel's armed forces and the general inability of states to secure their war aims in asymmetric wars.

43. The UK government was criticised heavily for the position that it took at the time of the 2006 Lebanon war. From the time of the G8 St Petersburg statement (16 July) up to the meeting between the Prime Minister and the US President (28 July), the Prime Minister offered what appeared to many uncritical support of US policy. This provided the necessary international cover to allow Israel to pursue by force its strategic objectives. In so doing the UK allowed itself to be portrayed as part of a proxy war involving the US and Iran and their client states and organisations, Israel and Hezbollah. That the UK government appeared impassive to the humanitarian suffering and the destruction caused by Israel's actions has tarnished Britain's image in the region and has diminished its ability to act as an honest broker.

44. Central to the government's position at the time of the Lebanon war was the belief that for any ceasefire to be lasting it was necessary to address the underlying causes of the crisis. It held that the causes rested in the lack of progress in implementing United Nations Security Council resolution 1559. The UK government was unwise to believe that Lebanon's problems could be resolved externally through recourse to a UNSC resolution on the back of an unpopular Israeli war. The war increased support for Hezbollah

within Lebanon and across the whole Middle East as well as revealing more starkly Lebanon's sectarian divisions. Once again, the UK government finds itself struggling to reconcile its desire for stability in Lebanon with its vision of real democracy.

45. UNSC resolution 1701 does little to solve the underlying causes of the problem. It reiterates the need for the Lebanese government to exercise control over all Lebanese territory in accordance with the provisions of past UNSC resolutions, and the Taif Accords. It provides for a demilitarised zone between the Blue Line and the Litani River to be manned by a strengthened UNIFIL working alongside troops provided by the Lebanese army. Politically, however, it accepts that UNIFIL is intended to buy time for progress on the political front both within Lebanon and between Lebanon and its neighbours.

46. Internally, this involves progress on the future shape of Lebanon's confessional system. Externally this necessitates removing potential flashpoints between the two sides. The lack of political progress to date on both these issues means that there remains a high risk of further conflict either because Israel cannot tolerate a rearmed Hezbollah on its southern borders or because of an Iraqisation of Lebanon flowing from the stalled process of national dialogue. Either way, it is unrealistic, in the absence of a wider political settlement, to expect UNIFIL to plug the gap indefinitely.

47. UNSC resolution 1701 recognises that disarmament can only be achieved as part of wider national debate within Lebanon as to the future shape of the country's confessional system. The national debate, which re-emerged following Syria's withdrawal from Lebanon, now appears stalled. The central problem remains the lack of consensus as to the future shape of Lebanon's political system flowing from its confessional system. The issue of Hezbollah's disarmament remains a powerful potential obstacle, one that could result in continued strife, either between Israel and Hezbollah, or within Lebanon. The international community is facing a seemingly intractable dilemma. It can either accept a continuation of the status quo, namely the existence of a state within a state, or it can pursue Hezbollah's disarmament with the likely consequence that this will lead to a state within a failed state.

48. There are no easy solutions to this dilemma. A realistic policy stance has to recognise two things: first, the support that Hezbollah now enjoys amongst its own constituency; and second, the anger that many of Lebanon's displaced Shi'ites now feel towards Israel, the US and the UK. Given that, we do not believe that disarmament is a viable political option to be pursued in the short term. Rather, the international community has to recognise that disarming Hezbollah will not be achieved at a stroke by a UNSC resolution, external military intervention or by government decree. As the UK government's own experience in Northern Ireland showed, disarmament is a goal that can only be reached by patient and painstaking negotiations, probably taking months if not years.

49. Rather than prioritising Hezbollah's disarmament, which has made more fragile Lebanon's national dialogue, the UK government should seek to strengthen that national dialogue, which may involve further diplomatic engagement with Iran and Syria. It should also consider whether it could provide additional economic and social support for the reconstruction and rehabilitation of Lebanon following on from the Paris III Conference. As a Church we remain committed to help fostering this dialogue within Lebanon by supporting the Middle East Council of Churches and the efforts of indigenous churches to participate actively and constructively in this dialogue.

50. Despite the lack of progress domestically, we believe that the international community can still play a constructive role by removing the potential flashpoints between Lebanon and its neighbours, not least by assisting resolution of the territorial dispute over the Sheba'a Farms. Recognising the importance of making progress on external matters underlines the point that Hezbollah, while the proximate cause of the problem is at a more fundamental level a symptom of the ongoing tragic conflict over Palestine. In this sense British foreign policy on Lebanon both at the time of the 2006 war and since appears based upon a false analysis.

51. To argue, as the British government did in July 2006, that the root causes of the crisis rest with Hezbollah and that the crisis can be resolved by eradicating Hezbollah's military strength, reveals a diminished ability to address those root causes, let alone to deal with them. The government's strategy appears to be more one of conflict management rather conflict resolution. The government should encourage the process of national dialogue within Lebanon and work to ensure that Hezbollah is unable to rearm and mobilise, not least by engaging with Iran and Syria. However, these steps can be no substitute for "a comprehensive, just and lasting peace in the Middle East" as recognised and called for by UNSCR 1701. Without an effective resolution of the Arab-Israeli conflict, the prospects for a durable settlement both within Lebanon and between Lebanon and its neighbours are limited.

THE MIDDLE EAST PEACE PROCESS

52. The Prime Minister was right to stress in his Los Angeles speech, 1 August 2006, that "nothing else is more important to the success of our foreign policy" than the completion of the Middle East Peace Process. He stated that this required working "relentlessly" and "vigorously" to putting a viable Palestinian Government on its feet and by offering a vision of how the roadmap to final status negotiations can happen and then "to pursue it week in, week out". Securing a satisfactory settlement of this conflict would, he

argued, redraw the geopolitical landscape of the Middle East by providing “living, tangible, visible proof that the region and therefore the world can accommodate different faiths and cultures, even those who have been in vehement opposition to each other.”

53. We recognise that all too often the lack of settlement in the Israeli-Arab conflict provokes a deep sense of frustration, even despair. It is important, nevertheless to note that some significant progress has been achieved, even if it highlights the lack of progress in other areas. The landscape of the Middle East has fundamentally changed over the last 50 years with peace treaties between Israel and Egypt (1979), between Israel and Jordan (1994), as well as Israel’s withdrawal from Lebanon (2000) and Syria’s subsequent withdrawal from Lebanon (2005). Even within Israel and the Palestinian Occupied Territories progress has been made, most noticeably with the establishment of a Palestinian National Authority and Israel’s withdrawal from Gaza.

54. We are encouraged that there is a political consensus between the relevant parties as to what a just, comprehensive and lasting solution might entail: a viable two state solution, which provides for a safe and secure Israel and a viable, sovereign and democratic Palestine, living side by side in peace and security. It remains true that final status issues, including border issues, have yet to be agreed. Nevertheless these will have to be consistent with the terms of reference of the Madrid Conference and its principles, including land for peace and relevant UNSC resolutions and the “performance-based” road map (2003). The broad outlines of this arrangement, and the principles underpinning them, are consistent with the Arab Peace Initiative adopted by the Council of the League of Arab States (2002) and it provides the working framework for the Quartet.

55. By recognising the important steps that have been taken, we do not diminish the seriousness of outstanding issues that stand in the way of a final settlement. We hold that the lack of progress towards a negotiated settlement between Israel and Syria based on resolutions 242 (1967) and 338 (1973) remain a significant obstacle to a securing a comprehensive regional peace. Disagreement between relevant parties as to whether the measures envisaged by the road map should be sequential rather than parallel, have too often led to political paralysis and missed deadlines. The use of violence on both sides and the continuation of settlement activity remain key factors in the failure to move beyond Phase I of the road map.

56. We believe that the underlying causes of the conflict as cited by the Mitchell Report of 2001 remain constant: namely the failure of both parties to recognise the grievances of the other, specifically the humiliation and suffering of Palestinians caused by continued occupation, and the fear felt by Israelis at continued violence and terrorism. We are disappointed that the Quartet has been unwilling to use its authority to encourage both parties forward. It has to balance demanding that the Palestinian Authority control the security situation, with equally strong demands upon the Israeli government to cease from settlement activity. Divisions between the Quartet’s members have inhibited it from acting with the necessary determination and consistency. In so doing members of the Quartet have often failed to adopt clear, critical and independent positions on the issues at hand which has diminished the Quartet’s authority and legitimacy.

57. Highlighting the progress that has been made shows that peace is not impossible nor beyond human imagination. With persistence, patience and determination further progress can be made. That of course must ultimately come from within the communities at the heart of the dispute. But others have their part to play in trying to bring about the right conditions. We hold that the road map should remain the point of reference since it is the only document of recent years that has been accepted by the Security Council, Arab States, and Palestinian and Israeli leadership. The Quartet needs, however, to take lead responsibility for creating the conditions necessary to restore faith and confidence in the practicality of the road map and in so doing to re-energise both the Israeli-Palestinian peace process and its consultations with relevant regional partners.

58. This involves three things: first a recommitment to the basic goals and objectives underpinning the road map; second, a new timetable that is informed by priority action in various fields; third, addressing in a transparent manner the road map’s basic premise of parallelism and monitoring. We consider that these measures would best be taken through convening a regional conference, similar to that held in Madrid in 1991.

59. We fear that progress on this matter has been threatened by the international community’s preoccupation with the question of Hamas. The decision to cut off assistance to the Palestinian Authority and the subsequent channelling of funds through temporary relief mechanisms has, in our view, served only to undermine the capacity and capability of Palestinian institutions to provide for the well being of its citizens. The establishment of the Government of National Unity, along the lines brokered by Saudi Arabia in Mecca between Hamas and Fatah, should prompt the international community to reconsider its policy.

60. We understand the Israeli government’s continued concern that Hamas has yet unequivocally to accept the international community’s demands. However, we agree with the analysis provided by the House of Commons International Development Select Committee which concluded in a report earlier this year that “... the international community is right to place pressure on Hamas to change those policies which mitigate against a peace process. However, this would best be achieved through dialogue and engagement rather than isolation.” As the British government’s own experience of Northern Ireland illustrates, peace is a process rather than an event and as such it needs to be encouraged and nurtured.

61. In view of the above analysis we suggest that the Government of National Unity should be judged by results. First, it needs to show its resolve by imposing internal security in Gaza and by preventing rocket attacks on Israel by radical militants. Second, it needs to work actively towards the release of the Israeli soldier, Corporal Gilad Shalit, as part of a wider prisoner release deal. Third, Hamas run ministries need to be evaluated on whether they encourage Islamist policies that distort the fabric of Palestinian society. Finally, the Unity Government needs to accept that any peace accord negotiated by President Abbas and the Israeli government is binding on the government itself, especially if supported by a national Palestinian referendum.

62. To do otherwise risks alienating other friendly powers that have worked to broker the Mecca deal. It would discourage Hamas from moderating its policies in important areas. A policy of continued isolation and non co-operation runs the risk of destroying further the fabric of government on the West Bank and Gaza and turning both into walled refugee camps. In this respect we are alarmed at the analysis provided by the World Bank (September 2006) that poverty has risen from 44% in 2005 to 67% in 2006. Such high levels of poverty in Gaza and the West Bank threaten to undermine further the previously accepted and widely held notion of a viable two-state solution.

ENGAGING WITH THE ISLAMIC WORLD

63. In his Los Angeles speech, 1 August 2006, the Prime Minister called for a “complete renaissance” of foreign policy to combat “Reactionary and Radical Islam”, not only regionally in the Middle East but also globally. He justified the interventions in Afghanistan and Iraq and his support for the G8 Broader Middle East and North Africa Initiative on the grounds that such interventions are not just about changing regimes but about changing the value systems governing the nations concerned. His comparison of “Radical Islam” to early revolutionary communism suggested that the current battle over values is similar to that of the Cold War, in that ultimately it can only be defeated at the level of ideas. The Prime Minister then went on to use this grand narrative to explain that most of the ills of the Middle East, whether in Iraq, Syria, Lebanon or Gaza are the product of religious extremism intent on depriving people of their democratic freedom in favour of governance by a semi feudal religious oligarchy. The challenge therefore was to “empower moderate mainstream Islam to defeat reactionary Islam”. The Prime Minister indicated that this process of modernisation within Islam is already showing signs of success: in the UAE; in Bahrain; in Kuwait, in Qatar; in Egypt; in Libya and in Algeria.

64. We agree with much of the analysis provided by the Prime Ministers, but we remain concerned that a single overriding narrative risks oversimplifying unduly a complex and fluid situation. There is certainly a radical and violent Islamist element to much of the violence in the Middle East. But, as suggested earlier in this submission with regard to Iraq, it would be erroneous to assume that there is uniformity to the violence, either in terms of its origins or in terms of its agents. The government’s analysis risks reducing the region’s problems to over-riding explanations that legitimate uniform and misguided policies.

65. The danger of over simplification is illustrated by the government’s use of terms such as “reactionary Islam”, “radical Islam” and “moderate Islam” in much of its public diplomacy. But what do these categories mean in practice? The government runs the danger of labelling all Islamist movements and organisations as dangerous and hostile, ignoring the significant divergence of views and strategies that exist along the Islamist spectrum. When the government speaks of moderate Islam, is it referring to secular Islam or is it also referring to those mainstream Islamist movements that remain conservative in nature, but have eschewed violence in favour of peaceful political activity? We suggest that the government needs to clarify its use of these terms.

66. We accept that some Islamist movements and organisations are dangerous because of their willingness to resort to indiscriminate violence. These organisations have the potential to cause great loss of life in the pursuit of political goals, which are ill defined and impossible to achieve. They will rightly remain a key focus of attention for those seeking to prevent terrorist attacks against European and North American targets. It is, however, unwise to see them as central to the political landscape of the Middle East. By contrast, mainstream Islamist movements have had and will continue to have a significant impact on the future political evolution of the Middle East. They have already impacted upon the social landscape of many countries by halting and in some places reversing the secular trends, not least in the way that many Arabs dress and behave.

67. Many Islamist movements are fulfilling their immediate political goal by becoming powerful political forces. This includes Morocco’s *Parti de la Justice et du Développement* (PJD), Egypt’s Muslim Brotherhood and Al-Wasat Centre Party, Yemen’s Islah (Reform) Party, Jordan’s Islamic Action Front, Kuwait’s Islamic Constitutional Movement and Bahrain’s *al-Wefaq* (Concordance society). These movements contrast favourably with other powerful Islamist movements that have run in elections such as the Supreme Council for the Islamic Revolution in Iraq, Hezbollah in Lebanon and Hamas in Palestine that show a willingness to engage in the political process even if they have not formally renounced violence.

68. We suggest that if the government is serious about its commitment to strengthening the cause of moderation in the Middle East then it needs to engage more constructively with these Islamist movements. Even within these organisations there are crucially important issues to be addressed, such as the application

of Islamic law, the use of violence, pluralism, civil and political rights, women's rights and religious toleration. The resolution of these issues will determine whether the rise politically of Islamists movements leads the Arab world, toward democracy or, conversely, to a new form of authoritarianism.

69. An example of the debate is found in the question of religious freedom in Egypt. There the Egyptian Muslim Brotherhood is calling for full-fledged democratic reforms but it remains, unlike the Wasat Party, reluctant to endorse equal rights for Copts, Egypt's native Christian minority. The difference is explained by the fact that the Muslim Brotherhood remains a religious movement with a political identity, whereas the Wasat Party is a civil party with an Islamic *marji'ya*. Unless Islamist organisations that have a dual political-religious identity, can be encouraged to accept the principle of universal citizenship without discrimination on the basis of religious belief their position towards religious minorities will remain uncertain.

70. The UK government may need to accept that its objective of democratic reform in the Middle East is unlikely to lead to the imminent emergence of secular organisations with unblemished liberal qualifications. Such organisations, where they do exist, lack any large constituency and are therefore unlikely to be able to secure political office for some considerable time. Abstract messages about democracy resonate only at a very general level and, with the notable exception of Lebanon's Cedar Revolution, have failed to serve the basis for political mobilisation.

71. Islamist groups will continue to provide the foundation of political opposition for the foreseeable future. They are likely to be the immediate beneficiaries of any political reform. They will attract popular support for a multitude of reasons, not least the appeal of the Islamist message which powerfully combines a religious ideal with the concept of social justice. This concept of social justice is embodied in the network of welfare organisations that Islamist parties have set up in many countries and which are now well financed and organised.

72. We do not intend to suggest that Middle East countries will never experience Western style secular, liberal democracies, but rather that Islamist groups have more than a head start in the electoral race. The government's strategy of encouraging an "arc of moderation" in the Middle East by providing democracy training for political parties or even funding to secular parties and liberal civil society organisation is unlikely to alter this reality. On the contrary, America's funding of Fatah's election campaign illustrates, it could make the situation worse, since it will more closely identify the government with some political parties at the expense of others.

73. The UK government would do better to engage constructively with Islamist organisations, especially their reformist wings, in an attempt to influence the balance of debate between hardliners and reformers on particular grey issues. This will require an in-depth understanding of the internal politics of Islamist movements and a recognition that there is no uniform tipping point between movements. Such a nuanced strategy would not sit well with the government's uncritical use of the language of "Radical Islam", "Reactionary Islam" and "Moderate Islam".

74. A strategy of engaging with Islamist organisations needs to go hand in hand with intensified diplomatic pressure on Arab governments to introduce political reform. Despite the government's claim that there are signs of democratic reform in the Middle East, the most that can be said is that there are some liberalised autocracies: there remain no Western-style democratic Arab countries in the region. While nearly all Arab states now possess parliaments, these parliaments lack any significant power or the ability to overturn decisions taken by an unelected executive.

75. The UK government should be wary of the political discourse, promoted by a number of authoritarian governments in the region, that argues that political liberalisation will lead to political instability and seizure of power by radical Islamic extremists. This discourse plays to the natural insecurities and anxieties that many Western governments have about Islamist politics. It ignores, however, the evidence that suggests that political success strengthens the side of reformers and encourages Islamist parties to change further by clarifying their position on certain key issues. Islamist groups become more radicalised the greater their exclusion from the political process since there is no motivation to progress beyond unyielding dogmatic positions.

76. The most effective, but often overlooked tool that the government has at its disposal in encouraging the pace of economic, social and political reform in the region is the EU's Mediterranean and Middle East Policy. Since 1995, the Barcelona Process has provided the foundations of a new regional relationship between the EU member states and partner countries in the Near East (Egypt, Israel, Lebanon, Syria, Jordan, the West Bank and Gaza Strip) backed up by bilateral co-operation and association arrangements. These technocratic and bureaucratic agreements provide the EU and its Near East partners with a safe environment in which they can consider, in a coordinated and sustained manner, the three main goals of EU Mediterranean policy as set out in the Barcelona Declaration (1995) and in the Common Strategy adopted by the European Council in Feira (2000).

77. The Barcelona Process can be no substitute for the wider resolution of the Middle East Peace Process, but it is a necessary prerequisite for any agreement. The challenge is surely to make the Euro-Med Free Trade Zone a reality by delivering and promoting regional infrastructure initiatives in important areas such as transport, energy, telecommunications, environment, equal opportunities and education and training and employment. In so doing the EU must ensure that its relations with its Near East partners remain

conditional on each country's measurable commitments to achieving respect for the principles underpinning the Barcelona Process. If successful, the Barcelona Process provides the EU with important leverage to help integrate the Middle East into the global political economy.

Rt Revd Tom Butler

Bishop of Southwark

Vice Chair: Public Affairs, Mission and Public Affairs Council

April 2007

**Memorandum submitted by Professor Shai Feldman, Director, Crown Center for Middle East Studies,
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EXECUTIVE SUMMARY

This testimony attempts to identify the main strategic, political, social and economic trends in the Middle East. It then focuses on the prospects for moving the Palestinian-Israeli conflict away from its present violent course toward negotiations and reconciliation. The testimony addresses the following questions:

- What is the international environment within which developments in the Middle East need to be understood?
- How should we think about the Middle East? What are the main patterns that characterize the different developments in the region?
- What have been the factors affecting the efforts to resolve the Palestinian-Israeli conflict?
- What are the near-term prospects for Palestinian-Israeli talks?

The current international environment of the Middle East has three main characteristics:

- (a) It has become unipolar: the US has no superpower rivals.
- (b) The global demand for Middle East oil continues to grow.
- (c) A resurgence of Russian nationalism.

The most important recent developments in the Middle East include:

- (a) The weakening of Arab states, Arab state institutions, and the Arab state system.
- (b) The emergence of Iran as the only local regional power in the Persian Gulf.
- (c) The proliferation of insurgencies in various corners of the Middle East.
- (d) The "American Project" of making the region peaceful through democratization has failed.
- (e) Turkey has become pivotal to determining the future relations between religion and state in the Middle East.
- (f) The Palestinian-Israeli conflict remains intractable—a victim of adverse internal developments among Israelis and Palestinians alike.

Currently, the prospects of Palestinian-Israeli accommodation are affected by the following developments:

- (a) The broad support for a two-state solution in Israel has ended the ideological debate over the future of the West Bank and Gaza.
- (b) Demography has become the primary locomotive in changing Israelis' approach to the future of the territories.
- (c) Israel is unlikely to show any flexibility with regard to the Palestinian refugees' Right of Return.
- (d) Israelis have become disillusioned with regard to unilateral steps and they now insist that further Israeli withdrawals should take place only as a product of negotiated agreements.
- (e) The renewed emphasis on agreements has made the process hostage to the availability of negotiation partners. Currently, Israelis believe that they lack a Palestinian partner and Palestinians believe that they lack an Israeli partner for such negotiations.

Once Israeli and Palestinian interlocutors reappear, they will face three negotiation options:

- (a) Follow the logic and sequencing of the Quartet's Road Map.
- (b) Attempt to negotiate a permanent status agreement.
- (c) Negotiate a large-scale Israeli withdrawal from the West Bank and a comprehensive long-term armistice.

In the foreseeable future, the third option, consistent with Israeli Prime Minister Ehud Olmert's earlier commitment to a large-scale disengagement from the West Bank, with Hamas' concept of a "Hudna", and with Phase II of the Road Map, seems the most promising.

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Professor Feldman was a Senior Research Associate at the Jaffee Center since its establishment in late 1977. In 1984–87 he was director of the Jaffee Center's Project on US Foreign and Defense Policies in the Middle East and, in 1989–1994, he directed the Center's Project on Regional Security and Arms Control in the Middle East. In 1995–97 he was a Senior Research Fellow at the Belfer Center for Science and International Affairs (BCSIA) at Harvard University's John F Kennedy School of Government (1995–97).

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The Anglo-Israel Association

INTRODUCTION

1. This testimony attempts to identify the main strategic, political, social and economic trends in the Middle East. It then focuses on the prospects for moving the Palestinian-Israeli conflict away from its present violent course toward negotiations and reconciliation. Thus, the testimony addresses four issues:

- (a) What is the international environment within which developments in the Middle East need to be understood?
- (b) How should we think about the Middle East? What are the main patterns that characterize the different developments in the region?
- (c) What has been constraining the efforts to resolve the Palestinian-Israeli conflict?
- (d) What are the near-term prospects for Palestinian-Israeli talks?

THE INTERNATIONAL ENVIRONMENT

There are at least three important dimensions to the international environment of today's Middle East:

2. The first of these dimensions is that the international system has become uni-polar, with the US remaining the only global superpower. Thus, if between 1945 and 1989 no truly important development in the Middle East could be understood without reference to the bi-polar US-Soviet Cold War rivalry, no significant development in the region today can be appreciated without acknowledging US global power.

3. Indeed, US power is considered unprecedented in world history. According to one estimate, at its height the British Empire controlled 6% of the world's GDP. By contrast, the US is estimated today to be controlling some 30% of the world's GDP. This is an extraordinary feat and it has many important ramifications: No other country could pour into the region the kind of resources spent by the US in the Middle East at large since 11 September 2001.

4. At the same time, it seems that America's unique status as the only remaining superpower has provided it with far less leverage than might have otherwise been expected. Indeed, long gone are the days of "gunboat diplomacy" when a world power could affect developments in a country far away simply by deploying a single gunboat outside a major harbour of that state. Today, the US, despite its global power and the enormous assets it has already deployed in the Middle East, finds it difficult if not impossible, not only to suppress an insurgency in Iraq but also to dissuade a fourth-rate power like Syria from allowing movement of weapons, ammunition and personnel into Iraq, hosting Palestinian terrorist organizations in Damascus, helping Hezbollah rearm, and continuing to exercise deadly violence against its opponents in Lebanon. While today's Middle East cannot be understood without reference to the new global "uni-polar" international system, the implications of this new system are far from clear, as the real leverage derived by the US from now being the only superpower is challenged on a daily basis.

5. The second dimension of the region's new international environment is the growing demand for oil. This additional demand, generated primarily by the rising economic giants of the East—India and China—has already resulted in a sharp increase in the price of crude oil. An important strategic ramification of this demand is the growing dependence of these giants—not only China and India but Russia as well—on the oil producers of the Middle East. One outcome of this dependence is that these powers are now reluctant to use pressure against an oil producer like Iran, allowing the latter far greater capacity to resist international pressures to curtail its nuclear ambitions.

6. The third important dimension of the international environment of the Middle East is the resurgence of Russian nationalism. Some see Russian behaviour in the Middle East as driven almost exclusively by its economic interests. However, no less important are Russia's attempts to reassert itself as an important international player that should not be ignored. This is particularly the case in the Middle East where Russia traditionally saw its interest in retaining access to warm water ports and, later, to important natural resources.

7. To some extent the resurgence of Russian nationalism can be seen as “payback time” for the humiliation Russia suffered at the end of the Cold War. Far from being generous regarding the terms of Russia's surrender, the United States and its western allies pushed NATO's expansion all the way to the Baltic States—Russia's back yard. In the face of protests that its vital national interests and security concerns are being ignored, the Clinton administration spearheaded by Secretary of State Madeleine Albright made clear that NATO expansion will happen anyway. While remaining interested in keeping open its channels to the West and in preventing Iran from “going nuclear”, Russia's diplomacy has been less than completely cooperative with regard to these efforts. In addition to its economic stakes in Iran's nuclear energy program, the Kremlin seems to be indicating: “If you ignore us when it matters to us, don't be surprised when we ignore you when it matters to you.” So now that Russia's cooperation is sought in an effort to prevent Iran from going nuclear, it is not surprising that some in Russia believe that “payback time” has come. As a result, Russia seems to be dragging its feet in the matter, although in late March it seemed that it, too, had begun to lose patience with the regime in Tehran.

THE REGION'S CHARACTERISTICS

The region itself can be understood through the prism of six main developments and characteristics:

8. The most important of these trends seems to be the weakness of the Arab states, Arab state institutions and the Arab state system. The social, economic and educational weakness of Arab states has been documented conclusively in a number of reports published in recent years by the United Nations Development Program. Similarly, Raja Kamal of the University of Chicago noted recently in the Lebanese newspaper *Daily Star*:

“If we are to exclude oil and natural gas from the various Arab economies of the 300 million inhabitants of the Arab world, the cumulative Gross Domestic Product would be less than that of Finland, a country with a population with just over five million. The Arab world, with a few exceptions, has failed miserably at catching up with the economic renaissance of most other corners of the world.” (5 January 2007).

9. One result of this weakness is that Arab governments are now increasingly challenged by sub-state movements like the Islamic Brotherhood in Egypt, Hezbollah in Lebanon, and Hamas in the Palestinian territories. These movements have succeeded in setting up parallel health and welfare systems that provide better services than the governments of these states.

10. The second significant dimension of this weakness—itsself an important cause of further weakness—is the decline of national media in Arab states and its replacement by regional media like the Qatari-financed Al-Jazeera or the Dubai-financed Al-Arabia television networks. This development has further accelerated the weakening of Arab states as national governments have lost their former ability to control what their citizens do or do not know.

11. The third and possibly the most important ramification of the weakening of Arab states is that their importance as a focus of identity has declined and is increasingly being substituted by sectarianism, thus completely transforming the politics of identity in the Arab world. Now, fewer Iraqis see themselves as Iraqis, instead viewing themselves as Sunnis, Shi'a or Kurds. As of the mid-1970s, this has been increasingly the case in Lebanon, where few see themselves as other than Sunni, Shi'a, Maronite Christians, and Druze.

12. Most recently, this politics of identity has reached another climax, transcending into the labeling of others. When, during a recent ceremony commemorating the founding of Fatah, PA President Mahmoud Abbas mentioned Hamas, people in the crowd began shouting “Shi'a, Shi'a.” This was remarkable given that all Palestinians, including members of Hamas, are Sunni Moslems. Fatah followers seemed to have been registering their anger at Iran's support of Hamas by depicting their supporters as Shi'a, the variant of Islam practiced in Iran.

13. In the region at large, the weakness of the Arab states has resulted in the Arab League becoming increasingly impotent, failing completely to prevent or affect the course of the war in Iraq. By contrast and probably more significantly, it seems that the fate of the Middle East is now affected much more by three non-Arab states: Iran, Turkey and Israel.

14. The second important characteristic of today's Middle East is that the dismembering of Iraq has left Iran the only local regional power in the Persian Gulf. The full magnitude of this shift and its various far-reaching consequences will probably become clear only after the US will begin to significantly draw-down its military deployment in Iraq. It will be felt with even greater clarity as Iran moves closer to obtaining a nuclear capability. And, as Iran's external face is increasingly reflected in President Ahmedenijad, who has made defiance of the West, the de-legitimization of Israel and Holocaust denial his defining themes, it is not surprising that Iran's growing power and influence results in growing nervousness within and outside the Middle East.

15. At the same time any balanced approach to Iran's role must acknowledge that President Ahmedenijad's powers are limited—in Iran, it is the Supreme Leader who wields considerable power—it is he who has powers more similar to those possessed by the UK's Prime Minister or the President of the United States. Thus, within the complex Iranian political system that is run by a form of collective leadership, Ahmedenijad is not even the first among equals. Additionally, in recent months he has been increasingly and overtly criticised for his failed economic policies and for needlessly antagonising the West with his overly confrontational pronouncements on the nuclear issue and his obsession with Holocaust denial.

16. The third important facet of today's Middle East—also a result of the weakening of Arab state structures—is the proliferation of insurgencies and terrorist groups. These include the different insurgency groups facing the US and/or the UK in Iraq; Hezbollah in Lebanon; Islamic Jihad and the military arm of Hamas in the Palestinian territories; and, al-Qaeda-related cells in the Sinai, in Jordan, in Yemen, and in northern Lebanon.

17. One result of the rise of these insurgencies is the growing number of asymmetric confrontations, pitting an insurgency against an established power such as Israel or the US. Unique to these confrontations is that the insurgencies, facing the robust capacities of established powers, are not expected to win. Instead, mere survival in the face of the established power's robust capacities is viewed as an impressive achievement. Thus, in this new form of warfare, winning is simply "not losing."

18. At this point it is important to note that in contrast to some notions that have recently gained popularity, the radicalism manifested by these insurgencies does not comprise an "Arc of Shi'a" or a "clash of civilizations." Shi'a is not necessarily the defining axis of these insurgencies and their state sponsors. In the axis that connects Tehran, Syria, Hezbollah and Hamas, Iran is Shi'a while Syria is almost 90 percent Sunni (and its Shi'a-leaning ruling Alawite minority sees itself primarily as Alawite, not Shi'a). Similarly, Hezbollah is Shi'a but Hamas is Sunni. It is also far from clear that Iraqi Shi'a will see eye to eye with Iran's Shi'a, just as Syria's Ba'ath party and Iraq's Ba'ath party became one another's sworn enemy.

19. Equally important, the battle-lines delineated by these insurgencies do not necessarily reflect a "clash of civilizations." If measured by casualties, this is largely a clash within the same civilization: Over 90% of the confrontations currently experienced in the region manifest Arabs killing other Arabs, or, more broadly, Moslems killing other Moslems.

20. The fourth important facet of today's Middle East is that, unfortunately, the American project of advancing the cause of peace through the democratization of the region has failed. To be clear, it is not that the efforts to democratize the Middle East have failed. It is also not the case that Arab or Moslem societies are incapable of enjoying sustained electoral systems. Indeed, countries and regions of the Middle East, from the Palestinian territories to Iran have proven that they can sustain electoral processes. Instead, what has completely backfired is the expectation that democracy can bring peace to the Middle East. In fact, the opposite has happened:

- (a) The efforts to bring democracy to Iraq have produced the bloodiest sectarian conflict in the Arab world.
- (b) Elections in Iran produced a victory for an anti-establishment candidate, but it just happens to be that this individual hates the West with a passion, and is otherwise engaged in confrontational politics and Holocaust denial.
- (c) Elections in Egypt have resulted in the largest-ever representation for the Islamic Brotherhood—a fundamentalist movement.
- (d) Elections in Lebanon have resulted in Hezbollah now enjoying for the first time a significant representation in the Parliament.
- (e) Elections to the Legislative Council of the Palestinian Authority resulted in a landslide victory for Hamas, which refuses to recognize Israel and abandon terror.

So while in all these cases Moslems proved that they can hold relatively free and fair elections, instead of encouraging moderation these elections have ended up empowering extremists.

21. The fifth facet of today's Middle East concerns Turkey: It is difficult to exaggerate the importance of the Turkish experiment. What is this experiment? In the Middle East there are a number of competing models for the relations between religion and state: From Egypt and Syria who deny any role for religion in the state, to Iran where religion has taken over the state. Turkey represents a rejection of both models: It is ruled by an Islamic party that accepts the country's secular state system and seems to be committed to the principles of democratic government. Thus, Turkey's experience is observed closely by other states in

the region to indicate whether or not Islam and democracy can co-exist. And, to the extent that economically Turkey's success or failure depends in the long term on whether it is admitted to the EU, there is clearly a lot at stake in the EU's decisions regarding Turkey's application for membership.

22. The sixth facet of today's Middle East is the unfortunate seeming intractability of the Palestinian-Israeli conflict—a conflict that has eluded so many attempts at its resolution. And here is the greatest paradox of all: Most Israelis and most Palestinians know that there is only one formula for resolving the conflict. What is the formula? Its parameters do not deviate significantly from those painted in broad brush by President Bill Clinton shortly before he left office (the so-called “Clinton Parameters”), with additional amendments and clarifications provided by President George W. Bush, notably in a speech he delivered on 24 June 2002.

23. Indeed most Israelis and Palestinians know what this solution entails:

- (a) Two states living in peace and security alongside one another.
- (b) The final border between these two states will not deviate significantly from the so-called 1967-lines.
- (c) The two states will share power in an undivided Jerusalem, including in the so-called Holy Basin.
- (d) Palestinian refugees will be allowed to return to the Palestinian state but not to Israel. Others will receive financial compensation and arrangements will be made for their permanent settlement in Arab states as well as in other countries who will volunteer to do so.

24. Not only is it clear that there is only one plausible solution to the conflict—public opinion polls indicate that this solution is acceptable to the majority among Palestinians and Israelis alike. Yet while most Israelis and Palestinians can describe in general terms the only possible solution, the same majority seem to manifest similar despair with regard to the chances of implementing this solution. And the main obstacle to such implementation seems to be the weak leadership on both sides and particularly the extreme fragmentation of the Palestinian society—a society that is now torn between:

- (a) A secular Fatah and Islamist Hamas, who subscribe to completely different approaches to conflict and peacemaking with Israel.
- (b) More moderates within Hamas who will consider co-existence alongside the State of Israel, and extremists who would not.
- (c) Fatah's “old guard” leaders who are incompetent and corrupt and the Fatah “young guard” who feel that they have not received their fair share of power and influence.

With last January's elections producing a bi-focal system with Fatah lead leader Mahmoud Abbas as President and Hamas capturing the legislature and government—with each holding on to their private militias—there was no single Palestinian address, no Palestinian interlocutor able to negotiate and, more important, able to implement a resulting Palestinian-Israeli agreement.

25. At the same time, in the aftermath of the illness of Israeli Prime Minister Ariel Sharon, and particularly after last summer's war between Israel and Hezbollah, many Palestinians understandably feel that they lack an Israeli address—that is, someone who can implement any understanding reached with the Palestinians. They see the current Israeli government and the Israeli Defence Forces as having been wounded by last summer's war in Lebanon and as having sunk in any number of inquiry commissions investigating Israel's conduct of the war as well as in numerous police investigations of corruption scandals at the top of the Israeli leadership, at least three of which relate to Prime Minister Ehud Olmert himself.

PROSPECTS FOR ISRAELI-PALESTINIAN ACCOMMODATION

A balanced assessment of the prospects of Israeli-Palestinian accommodation requires that a number of important developments be identified. Some of these developments have increased the prospects for such accommodation while others have damaged these prospects.

26. On the Israeli side it seems that the grand ideological debate about Israel's right to possess all parts of the Land of Israel—including the West Bank and Gaza—has been largely resolved. This debate was an integral part of the history of the Zionist movement since its inception. It erupted in dramatic form in 1937, when the movement was required to respond to the British Peel Commission Report offer of an independent Jewish State in a very small part of Palestine. The debate was muted after the 1948 war but broke out again in the immediate aftermath of Israel's conquest of the West Bank and Gaza in the June 1967 Six-Day War. Yet only 12 years later, Likud leader and Prime Minister, Menachem Begin, opened the first crack in this debate when, in the framework of the 1978 Camp David Accords, Israel acknowledged “the legitimate rights of the Palestinian people”.

27. Paradoxically, an important step in the erosion of the Israeli ideological debate occurred following the election in 1996, when Benjamin Netanyahu became prime minister and accepted the Oslo process. In this framework, he negotiated the Hebron agreement, and, in 1998, the Wye River Accord. The latter stipulated transferring to the Palestinians control of additional parts of the Land of Israel, amounting to some 13.1 percent of the West Bank. The most recent development in this context has been the public acknowledgement made by Likud leader and Prime Minister, Ariel Sharon, to the effect that Israel's control of Gaza and the West Bank comprised “occupation”.

28. In the aftermath of these many concessions, Israelis continue to debate the magnitude of possible withdrawals, the security context and requirements for such withdrawals, and whether Israel should be prepared to concede territory inside the 1967 lines in exchange for some of the large settlement blocs in the West Bank which it would wish to retain (the so-called “swap”). However, the grand ideological debate about Israel’s right to proclaim sovereignty over the entire Land of Israel (that is, including the West Bank) is over.

29. Over the years, a number of considerations have persuaded Israelis that they cannot and should not attempt to assert sovereignty over the entire Land of Israel. Among such considerations has been the growing recognition that such an attempt would condemn Israel to an indefinite violent clash with its neighbours and that as long as the Palestinian-Israeli conflict remains acute, Israel would not be able to normalise its relations with its regional environment. However, no issue proved as powerful a locomotive for the Israelis’ opinion change in this realm than their growing concern about the demographic changes taking place in Israel, Gaza and the West Bank and the implication of these trends for Israel’s future as a Jewish and democratic state. These trends, manifesting a persistent gap in the population growth rate between Jews and Arabs in these areas, have been recognized as soon resulting in the Jews’ loss of majority status in the areas under its control. As long as Israel remains the only sovereign in these areas, such loss means that Israel could either attempt to maintain its Jewish character by denying the Palestinians full political participatory rights, thus compromising its character as a democracy, or it can attempt to retain its character as a democracy by granting the Palestinian such rights. But given these demographic trends, the application of majority rule in this area would immediately compromise Israel’s character as a Jewish state. This realisation has gradually transformed Israel’s perception of Palestinian statehood: from a mortal threat to an imperative. Thus, many more Israelis have come to realize that Israel’s future as a Jewish and democratic state requires the creation of a Palestinian state.

30. The fact that demography has now become the most important consideration pushing Israelis to yield the West Bank also accounts for greater Israeli willingness to compromise on different issues that are associated with such a withdrawal: The future borders between Israel and the prospective Palestinian state, the future of the Israeli settlements, etc. But regarding one issue this locomotive has transformed Israel’s approach from hard-line to entirely unyielding: namely, the Palestinian refugees’ Right of Return. Thus, Israelis now approach this issue by insisting that if the fear for Israel’s future as a Jewish and democratic state is driving them to concede lands which were considered for centuries part of their homeland and for decades as necessary for their security, they cannot be expected to make any concession that might further erode the demography within the pre-1967 borders. Thus, at best, they will not accept a formula for the refugees issue other than that expressed in the so-called “Clinton Parameters”: A return of Jews to Israel; a return of Palestinians to the Palestinian state.”

31. While a growing number of Israelis are prepared to make the territorial concessions required for a Palestinian state to be created, they have recently become increasingly wary of making these concessions unilaterally. Rightly or wrongly, they have concluded that Israel’s unilateral withdrawal from South Lebanon in May 2000 allowed Hezbollah to turn the area into a huge fortress and a weapons stockpile, thus allowing it to launch massive Katyusha rocket attacks against Israeli northern towns and villages in summer 2006, forcing a quarter of Israel’s population to sit in air-shelters for nearly 34 days or flee the area altogether. Similarly, Israelis observe that their unilateral withdrawal from Gaza has been “rewarded” by incessant Kassam rocket attacks against Israel’s southern towns, including the city of Ashkelon which has not experienced violence since the 1948 war. Thus, Israelis have concluded that while further withdrawals are essential if the demographic challenge is to be addressed through the creation of a Palestinian state, such withdrawals should be the product of negotiated agreements between the two sides—not a consequence of a unilateral Israeli decision to withdraw.

32. From Israel’s standpoint, the insistence that further withdrawals must be the product of negotiated agreements makes the availability of a Palestinian interlocutor absolutely essential. Following the failure of the 2000 Camp David summit, many Israelis—as well as some senior members of the US negotiating team, including President Clinton—seem to have concluded that despite their expectations to the contrary, Palestinian leader Yassir Arafat was simply not prepared to make the dramatic transition from the revolutionary leader to state-builder. Hence he shied away from making a deal at Camp David and, three months later, he failed to grab the so-called “Clinton Parameters” and to immediately embrace them at least as the basis for further detailed talks.

33. The Israelis’ experience with Mahmoud Abbas as a potential interlocutor is different. Few Israelis would argue with the proposition that Abbas is genuinely prepared to negotiate a fair and balanced Palestinian-Israeli deal. Yet lacking Arafat’s charisma and standing as the Palestinians’ nation builder, Abbas is not seen as capable of implementing the far-reaching steps that a deal with Israel would entail. While more than a few Israelis agree that their government could have done more to help Abbas by making certain concessions to him personally (and thus would have been credited to him by Palestinian voters), even they doubt that such steps could have contributed significantly to building his leadership. Leadership, they say, is to be asserted, not provided for from without.

34. Since January 2006 Israel’s search for an interlocutor hit a new snag with the electoral victory of Hamas. The resulting bi-focal Palestinian leadership, with Fatah leader Mahmoud Abbas remaining President, while Hamas gained a majority in the Legislative Council and has subsequently formed a

government, has left Israel once again without an interlocutor. Indeed, it was not conceivable that the Hamas leadership that refused to recognise Israel, to reject violence, to accept the Oslo process, and to abide by the obligations undertaken by the previous Palestinian government, could be considered an interlocutor for the purpose of Palestinian-Israeli negotiations.

35. As noted earlier, from the Palestinians' perspective, the Israeli domestic scene now appears almost equally unpromising. While many among them note with nostalgia the courage and leadership demonstrated by Prime Minister Itzhak Rabin in signing the Oslo Accords, they regard his various successors as having proven to be hard-liners, unyielding, or too weak to compromise. Thus, they see Shimon Peres as having self-destructed in 1996 with his attempt to demonstrate his defense credentials through the disastrous "Grapes of Wrath" operation. They view Benjamin Netanyahu as having first provoked them into a violent confrontation over the tunnels in Jerusalem's Temple Mount and then stalling on Israel's obligations under the Oslo-II agreement. And, they regard Prime Minister Ehud Barak as having come to the Camp David Summit without a governing coalition that would have allowed him to implement any far-reaching agreement reached.

36. In the aftermath of Israel's 2006 war with Hezbollah, Palestinians express renewed doubts as to whether they have an Israeli interlocutor for peace. Not only was Ehud Olmert the philosopher behind Ariel Sharon's unilateral approach, his political future now seems to be hanging by a thread, with the interim report of the Winograd Commission investigating the Israeli government's conduct of the 2006 war due to be published by the end of April; with Olmert's government experiencing countless police investigations of strong suspicions of corruption; and with the Labor party almost certainly about to unseat its leader, thereby also producing a new minister of defence and, by definition, a new partner to Olmert's own beleaguered office. Under such circumstances it is not unreasonable for the Palestinians to conclude that until these developments fully play-out, they, too, lack a negotiating partner.

IN THE NEAR FUTURE: SOME ROOM FOR CAUTIOUS OPTIMISM

Once the dust settles, in the aftermath of the aforementioned developments, it is just possible that the prospects for positive movements will appear less grim than they do now. A few more recent developments may point in that direction.

37. The Mecca Accord: While unsatisfactory and clearly falling short of the Quartet's justified demands that the Palestinian government should recognise Israel, reject violence and assume the obligations undertaken by previous Palestinian governments, the agreement reached between Fatah and Hamas does contain Hamas' promise "to respect" these agreements and obligations. More important, it mandates President Abbas to negotiate with Israel on the Palestinians' behalf, with the condition that the results of these negotiations will need to be ratified through a national referendum.

38. In Israel, by mid-June the dust will probably have settled after the various issues that are currently shaking the fabric of the Israeli government: By then it will be clear if Ehud Olmert will have survived the Winograd Commission interim report and whether the Labor Party will have provided him a formidable partner—a defence minister with sufficient gravitas to navigate a complicated peace process.

39. The Arab League will have demonstrated whether it is serious in its attempts to revive the 2002 Arab Initiative by offering Israel a grand-bargain—a comprehensive incentive package that might induce Israel to be more forthcoming in subsequent negotiations with the Palestinians.

40. Should these developments materialize and converge to allow a renewal of Palestinian-Israeli negotiations, the following question would then need to be addressed: What should be the focus of these talks? Here the parties face three main alternatives: (a) follow the Quartet's Road Map; (b) attempt to conclude a permanent status agreement; (c) negotiate the creation of a Palestinian state with provisional borders and the establishment of a long term comprehensive armistice (or "Hudna") between Israel and the newly created provisional Palestinian state.

41. Follow the Road Map: The logic of following the Quartet's Road Map is that the progression of its phases is meant to establish the conditions for a permanent Palestinian-Israeli accommodation, with implementation of each Phase improving the environment for the next. Thus it was accepted that Israel would not be able to contemplate the significant risks associated with yielding territorial control if the Palestinians did not first end all forms of violence against Israelis. And, that Palestinians will not take the more far-reaching steps demanded of them if Israel did not implement a complete freeze on settlement activities thereby assuring them that the process is going in the right direction. Yet this logical approach never "took off" as Israelis and Palestinians could not be assured that the process would yield the desired results. Thus, they became bogged down in endless bickering as to "who goes first".

42. Permanent Status Negotiations: The main appeal of this option is that its success would allow "closure" with regard to the Palestinian-Israeli conflict. It is also only in the framework of a permanent status deal that the incentive package offered in the framework of the Arab Initiative would become relevant. And while large majorities among Israelis and Palestinians continue to support the parameters suggested by President Clinton in late 2000 for a permanent Palestinian-Israeli deal, it is doubtful that the current leadership on both sides is prepared to implement the dramatic concessions required. In this context it is important to note that while in the framework of the Mecca Accord, Hamas had agreed to mandate

President Abbas to negotiate on the Palestinians' behalf, it has not committed itself to support any agreement that President Abbas would reach. Moreover, it is highly unlikely that Hamas would approve the kind of concessions regarding the hyper-sensitive issues like Jerusalem and the Right of Return that are implied by the Clinton Parameters.

43. Long-term comprehensive armistice with a provisional Palestinian State: While falling short of finally ending the Israeli-Palestinian conflict and while depriving the parties from taking full advantage of the offer made in the framework of the Arab Initiative, any serious review of the domestic factors constraining the Palestinian as well as the Israeli leadership makes it impossible to escape the conclusion that the only promising option would be to focus future negotiations on an attempt to bridge the gap between three closely related concepts:

- (a) The Israelis' yearning for a long-term comprehensive armistice coupled with the willingness expressed in the past by Prime Minister Olmert to withdraw from up to 90% of the West Bank.
- (b) Hamas' concept of a long-term Hudna.
- (c) Phase II of the Quartet's Road Map that focuses on the option of creating a Palestinian state with provisional borders.

Materialising this option will allow the creation of a new reality that would comprise a dramatic improvement upon present conditions without forcing the parties to confront some of the more hyper-sensitive issues that have plagued their previous efforts to "end the conflict."

CONCLUSION

44. Since the end of the Cold War, the Middle East has become increasingly fragmented. The past few years have witnessed the dismembering of Iraq, the increased role of sub-state actors and movements, the proliferation of insurgencies, the decline of national media, the weakening of the Arab League, and the failure to achieve peace through democratization. The Palestinian society has experienced a particularly acute form of such fragmentation, making it nearly impossible to discuss Palestinian national interests. Currently, however, Israel's political system manifests similar paralysis, making it unlikely that near term efforts to achieve Israeli-Palestinian peace will succeed. Nor are renewed permanent status negotiations likely to yield anything but disastrous results, not unlike those experienced in 2001–05. Instead, with support from within and outside the region by the Arab League as well as by members of the Quartet, Israelis and Palestinians should seek more limited goals that may nevertheless redirect them away from violence and toward greater stability and prosperity. This can be achieved if the parties directly involved, and those who comprise their regional and international environment, would focus their efforts on more limited objectives such as those envisaged for Phase II of the Road Map: The creation of a Palestinian state with provisional borders and the implementation of a long-term comprehensive armistice (or "Hudna").

26 April 2007

Memorandum submitted by the Portland Trust

This paper is structured as follows:

- Executive Summary.
- Introduction to The Portland Trust.
- Key Evidence.
- Recommendations.

The bulk of our material is focussed in the Recommendations section, which outlines our key work streams together with the reasoning underlying them. The Portland Trust stands ready to respond to any follow-up questions the Committee may have.

EXECUTIVE SUMMARY

1. The Portland Trust believes in promoting peace and stability between Israelis and Palestinians through economic means. More specifically our aim is for an expanding private sector, distributing wealth and opportunity such that it spurs political moderation.

2. Beyond the intrinsic logic of the role economics can play in peace making—that jobs and opportunity provide a natural impetus—we believe an examination of the Northern Ireland peace process provides us with a specific and solid intellectual base, and we are publishing a detailed paper on this imminently.

3. Our work focuses on generating and implementing specific, practical projects in the Palestinian Territories and Israel, and, given their integral relationship to a functioning Palestinian economy, Egypt and Jordan. Our projects range from promoting entrepreneurship to infrastructure development and improving the supply-side.

4. Each of these points are laid out in more detail below, but the key conclusions we would like to highlight to the Committee are as follows:

- (a) Political steps on all sides will be vital in ending the conflict between Palestinians and Israelis.
- (b) However, economics can enable, incentivise and solidify political progress. It can create an environment more conducive to peace and provide an alternative channel through which to resolve problems.
- (c) Central to this is the creation of a prosperous private sector. However, achieving this requires carefully formulated, minimally distorting measures. The Portland Trust has developed a package of initiatives tailored to this end, which we set out in our Recommendations.
- (d) The British government has proven one of the leading advocates and exponents of using economics in the peace process—we welcome this.
- (e) We would encourage the Foreign Affairs Committee to use its report to further the principle and practice of economics in peace making in the Middle East.

INTRODUCTION TO THE PORTLAND TRUST

5. The Portland Trust is a private not-for-profit British foundation with the mission of promoting peace and stability between Palestinians and Israelis through economic development. The Portland Trust was founded in 2003 by Sir Ronald Cohen (who is the Chairman) and Sir Harry Solomon (the vice-Chairman). Sir Ronald co-founded Apax Partners, one of the world's leading private equity investment groups. Sir Harry co-founded Hilldown Holdings, one of the largest food groups in Europe. Our CEO is David Freud, former Vice Chairman of Investment Banking for UBS. Sir Martin Gilbert, the historian, is the fourth trustee. The Portland Trust has offices in London, Ramallah (headed by Samir Hulileh, former Cabinet Secretary in the PA) and Tel Aviv (headed by former Brig Gen Eival Gilady).

KEY EVIDENCE

6. Our study—"Economics in Peace Making: Lessons from Northern Ireland"—will be published shortly. We will send to you a full copy of this. The Portland Trust believes it provides a compelling case for how economics can help to resolve seemingly intractable political problems. To give you examples of some of the key messages:

- (a) Economic disparity was a principal aggravating factor in touching off and sustaining violence. Together with a series of legislative changes, improved economic conditions helped reduce the gap between Catholic and Protestant unemployment rates from as high as 14% in 1985 to 3.5% in 2004;
- (b) Public sector financial support by the British government underpinned the economy through the most difficult periods of the Troubles, although a side effect of subsidies was to reduce productivity;
- (c) Private sector growth supported by substantial foreign direct investment, from the US in particular, was a key driver of increased employment and improved living standards. Business organisations became a key lobby for peace (the Irish Group of 7, Northern Ireland Business Alliance, CBI-NI);
- (d) International mediation began around economic issues. Senator George Mitchell, who eventually chaired the talks that led to the 1998 Agreement, first went to Northern Ireland as a special economic adviser. Economic discussions became a platform for political settlement.

7. Other key resources for you to examine for economic perspectives include the World Bank Investment Climate Assessment for the Palestinian Territories, World Bank Public Expenditure Review of Palestinian Authority and World Bank—IMF Economic Developments 2006. All can be found on the World Bank website, and have been summarised in our monthly Palestinian economic bulletin, to be found on our website www.portlandtrust.org

RECOMMENDATIONS

8. The following outlines the key initiatives we are pursuing in the region. This is intended to provide the Committee with a framework of interventions that can have positive economic impact in the Palestinian Territories. Our method of implementation involves close partnership with institutions on the ground, facilitated by our offices in Ramallah and Tel Aviv. We also seek to establish strong relationships in Jordan and Egypt given their integral relationship to a well-functioning Palestinian economy.

9. We are keenly aware that the political situation impacts the viability and scale of our projects' implementation. This can change very quickly—potentially within the time period of our submission to you and your subsequent report. Hence, we should emphasise that this section outlines a structure of interventions, rather than a recommendation for immediate action. We are, of course, happy to remain in touch with the Committee on developments. The Portland Trust's projects range across (a) promoting entrepreneurship (b) infrastructure development and (c) improving the supply-side.

Entrepreneurship

10. Our projects provide a path from unemployment and poverty to successful entrepreneurship, flowing as follows: business training to enable market entry, microfinance to enable start-up and initial expansion, loan guarantees to enable access to finance in the banking sector, export support to enable market access and international competitiveness. The ultimate goal is to create a business alliance for peace; we have developed the framework for a joint Israeli—Palestinian Chamber of Commerce. The status of each project is as follows.

11. Training—we are working with GTZ (a German NGO) to develop a syllabus by end summer based on international standards and using the CEFE (Competency based Economies through Formation of Enterprise) methodology. We will tailor the syllabus to the needs of Palestinians with small and micro enterprises, and we are currently about to implement phase one of the programme to train the trainers in the West Bank and Gaza.

12. Microfinance—we support The Palestinian Network for Small and Micro Finance (the consortium of the 10 microfinance institutions in West Bank and Gaza Strip that currently finance and support 30,000 microentrepreneurs). We have partnered with Planet Finance (a French NGO specialising in microfinance) and have secured a grant from the EU of 750 000 Euros to develop a three-year action plan to build the capacity of the microfinance sector. With more than 60% of Palestinians currently living below the poverty line and limited access to finance, microfinance provides a “hand-up” to those most in need. This “bottom up” solution gives Palestinians the tools they need to lift themselves and their families out of poverty.

13. Loan Guarantee Schemes—The Portland Trust worked with the EU and EIB (European Investment Bank) to put in place a loan guarantee fund for banks lending to Palestinian SMEs of approximately \$40 million. This is now operational.

14. We have also worked with The Aspen Institute, Overseas Private Investment Corporation (OPIC) and the Palestinian Investment Fund (PIF) to develop a loan guarantee scheme (LGS). OPIC and PIF have committed to a \$160 million 10-year facility to provide partial guarantees of 70% to banks lending to SMEs. The total program size, including the leveraged 30% bank participation, will be over \$200 million. The scheme will launch in May 2007, and The Portland Trust is contributing financially to the running costs of its Coordination Agency.

15. We believe it is important to launch the LGSs now, despite likely low initial demand in the current political circumstances. It has taken a number of years to assemble all the components of the LGS and putting it in place now enables it to play a key role in reflation of the Palestinian economy. Further, as the funds derive from Palestinian, European and American institutions, there is important symbolic value in this partnership.

16. We now are working to ensure the different schemes work together in a coordinated way and learn from one another through our Ramallah office.

17. To provide some of the underlying background on the need for the loan guarantee schemes:

- (a) SMEs are a core foundation of the Palestinian economy:
 - (i) Average firm size is 4.9 employees.
 - (ii) 90% of GDP is generated by SMEs.
 - (iii) The Portland Trust’s 2004 Study, *Beyond Conflict*, outlines considerable evidence that SMEs are both more resilient (shedding proportionately less labour through 1999–2004) and quicker to expand (predicting higher growth in employment in the event of a peace settlement) than larger scale firms.
- (b) But SMEs face barriers to access finance:
 - (i) Banks typically operate with credit ratios of around 25%. Deposits are running at 75% of GDP but receive low rates of interest, consequently banks have limited incentive to pursue a large lending business.
 - (ii) This manifests itself in very high requirements for collateral (often 130–200% of the loan) and extensive credit records that many potential borrowers find prohibitive.
 - (iii) But there is strong evidence for potential demand (with the resumption of more normal political circumstances). 2005 MAS survey: only 13% of SMEs applied for a loan in 2004, though 60% wanted to expand their business in the next five years and 66% said that they currently needed external financing. 70% of SMEs said that their loans were rejected because of a lack of collateral.
- (c) The LGS scheme will combine financial risk-sharing with technical assistance to the banks to try to deliver a step change in lending procedures—for example on risk assessment, use of credit histories, developing new products—hence the LGS can have a longer term and wider impact. Accompanying this, there will be an assessment of the needs of borrowers to tailor technical assistance to their needs.

- (d) To reinforce this, there are also strict criteria on the terms banks can issue loans under the scheme; and, of course, there are stringent procedures on terrorist financing.

18. Export Support: we are seeking here to do two things: first to set up a demonstration project between a US/EU retailer and Palestinian manufacturers; second to build a broader scheme based on a detailed analysis we have carried out of the needs of the Palestinian private sector.

19. Galilee Loan Guarantee Scheme: we are partnering with Koret and the UJIA to provide \$2 million in loan guarantee funds to small businesses lacking sufficient access to finance in northern Israel. This will facilitate \$12 million in loans and stimulate business development and employment generation for those in the region, including for women and Arab Israelis.

20. Israeli—Palestinian Chambers of Commerce: we have developed a framework for a joint chambers of commerce which we anticipate to roll out when the political situation allows.

Infrastructure

21. The Portland Trust believes this is one of the work areas with most potential benefit. We believe there is a need for a means to plan and deliver infrastructure to the Palestinian Territories and broader region. Clearly, it must be done in a way that provides for agreement whilst preserving sovereignty; proper, coherent, long-term planning; effective private sector involvement; and donor coordination and financial reassurance.

22. The underlying case for this is compelling:

- (a) Economic Returns on infrastructure in developing countries are strong: two key studies by Easterly and Rebelo/Canning and Fay found that GDP registered a 63%/95% rate of return on each unit of investment in transport/communications infrastructure. The World Bank states: “Infrastructure represents, if not the engine, then the wheels of economic activity.” Various studies have indicated very substantial needs for the Palestinian Territories. Given a skilled, but under-employed, construction workforce the gains for the local economy are enhanced further.
- (b) It takes a number of years to plan infrastructure, yet it is likely (based on precedent conflict zones eg Balkans) to be subject to very substantial, sudden and time restricted donor funds.
- (c) Given the geographic size of the Palestinian Territories infrastructure must be planned in tandem with neighbouring countries.
- (d) A practical precedent for such an initiative exists in the Balkans, where various infrastructure organisations were established with similar goals to those outlined here. However, they were set up after much of the aid money had been spent. In the Middle East, this lesson should spur action on this issue now.

23. Clearly, an initiative of this nature takes a great deal of preparation, much of it behind the scenes.

24. The second strand of our infrastructure work focuses on affordable housing. Besides the economic gains of a construction boom, housing also offers the possibility of building collateral for investment. We are conducting a study with local partners to determine the appropriate role for donors.

Improving the Supply-Side

25. Our aim here is to improve public policy, build up funds for investment and allow market forces to determine financial decisions. We have developed a private sector pension “green paper” with Fayyad and are currently working on implementation; we are working with Clinton Global Initiative and American Centre for Progress on political risk insurance to allow investment decisions to be based on market forces; and the OPIC loan guarantee scheme has a substantial focus on technical assistance to banks to promote improved risk analysis for loans.

UK government

26. The Portland Trust is in regular contact with the UK government, amongst a wide range of other organisations. We have found each of HMT, FCO and DfID to be well seized of the case for economics and private sector development in the Palestinian Territories. The UK has proven an impressive advocate of this in international forums. Specifically, the UK has been instrumental in the development of the Loan Guarantee Schemes. Clearly, we would recommend this approach to continue and expand its scope, along the lines of the framework for action we have developed.

30 April 2007

Written evidence submitted by the United Nations Association of the UK (UNA-UK)

UNITED NATIONS ASSOCIATION OF THE UK (UNA-UK)

1. UNA-UK is the UK's leading independent policy authority on the UN and a UK-wide membership organisation, supporting the work of the UN and its agencies. We campaign for a strong, credible and effective UN, promoting the principles of multilateralism and adherence to international law contained in the UN Charter. UNA-UK is independent of the UN system and receives no funding from it, allowing us to be critical of the UN's decisions and activities when we need to be and enabling us to call for the organisation to be reformed so that it is better equipped to fulfil its fundamental functions.

2. UNA-UK is non-party political. Our head office in London provides policy expertise to support the advocacy work of UNA-UK members. It maintains an ongoing dialogue with UK government ministers, parliamentarians and the media on issues relating to the UN and acts as the Secretariat to the All-Party Parliamentary Group on the UN.

UN'S ROLE IN THE ISRAELI-PALESTINIAN DISPUTE

3. UNA-UK welcomes the launch of the Committee's first Global Security Inquiry, into the situation in the Middle East. However, we are concerned at the lack of mention in the oral evidence presented to the Committee of the positive and essential role played by the UN, currently and potentially in the future, in solutions to the Israeli-Palestinian dispute. The UN is central to any solution, as shown by the fact that all parties to the dispute articulate their opinions and proposals through the language of UN Security Council resolutions.

4. The UN is a member of the diplomatic Quartet, described by Secretary-General Ban Ki-moon as playing "a vitally important framework role in further facilitating the peace process". Ban Ki-moon has stated that he wishes to "re-energize" the Quartet process. The UN is active in Israel, the Palestinian Territories, and in surrounding areas affected by this dispute, in the fields of peacekeeping, humanitarian assistance and peacemaking.

5. Three UN peacekeeping missions operate in the regions surrounding Israel:

- UN Disengagement Observer Force (UNDOF): established in 1974 following the Israeli and Syrian forces' agreement to disengage from the Golan Heights. UNDOF supervises the implementation of the agreement and related ceasefire, with 1,042 troops and an annual budget of \$39.87 million.
- UN Interim Force in Lebanon (UNIFIL): originally created following the Israeli invasion of southern Lebanon in March 1978, UNIFIL was strengthened in August 2006. Its mandate is to confirm Israeli withdrawal from Lebanon; restore peace and security and monitor the ceasefire; assist the Lebanese government and armed forces to restore effective authority in south Lebanon; ensure humanitarian access; and assist with the return of displaced persons. UNIFIL currently has 13,058 military personnel and an annual budget of \$350.87 million.
- UN Truce Supervision Organization (UNTSO): created in 1948 as the UN's first peacekeeping operation, UNTSO's functions have varied according to changed circumstances. UNTSO's 152 military observers are available for immediate deployment and are currently attached to UNDOF and UNIFIL, as well as being stationed in Sinai. UNTSO has an annual budget of \$29.96 million.

6. The UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) provides education, healthcare, social services and emergency aid to over 4.4 million Palestinian refugees in 59 camps in the Palestinian Territories, Jordan, Lebanon and Syria. In 2006, UNRWA's total budget was \$569.85 million and the UK's contribution of \$27.09 million was the fourth largest of any state. Other UN agencies providing humanitarian assistance to Palestinian refugees include the UN Children's Fund (UNICEF), UN Development Programme (UNDP), World Food Programme, World Health Organization and the UN High Commissioners for Human Rights and Refugees.

7. The UN has an active role in encouraging peacemaking initiatives and negotiations between the parties. The Office of the Special Coordinator for the Middle East Peace Process responds to requests from the parties to the dispute and supports negotiations and the implementation of political agreements. The UN Committee on the Exercise of the Inalienable Rights of the Palestinian People provides a forum where non-governmental organisations can meet to discuss their own peacekeeping and humanitarian work.

RECOMMENDATIONS

8. The UK, as a leading member of the EU and a permanent member of the UN Security Council, with historic ties to the region, needs to be at the centre of efforts to encourage a solution to the dispute. UNA-UK shares the view of the UN and the UK government that the Israeli-Palestinian dispute is fundamental to other conflicts in the Middle East and that its resolution would thus contribute to the handling of these other conflicts.

9. Multilateral political negotiations facilitated by the Quartet are the most appropriate means for engaging with all parties to the dispute. The Quartet should focus on the political horizons of a future settlement between all regional actors, based on the three principles of recognition of Israel's right to exist, commitment to non-violence and adherence to previous agreements between the parties. There should be no pre-conditions to the opening of negotiations between the Israeli government and the Palestinian Authority.

10. The Quartet should welcome the Arab Peace Initiative, described by Ban Ki-moon as "one of the important pillars of the peace process in the Middle East". The Quartet members should work constructively with other Middle East states, including the "Arab Quartet" of Egypt, Jordan, Saudi Arabia and the United Arab Emirates.

11. The UK government, acting within the UN and the EU, should do all it can to support the work of the Quartet and to engage with other disputes within the Middle East, including those involving Syria and Iran. The long-term aim to create a nuclear-free zone within the Middle East should be pursued actively.

8 May 2007

Letter to Chris Clark, United Nations Mine Action Service, Lebanon from the Committee Specialist

GLOBAL SECURITY: MIDDLE EAST

The Foreign Affairs Committee was pleased to be able to meet yourself and your colleagues in Lebanon earlier this year. The Committee was particularly interested in your analysis of the failure rates of cluster munitions, based on the work that you have carried out in Lebanon. I believe you told us that the rates were as follows:

"Dumb" cluster munitions: approximately 30% failure rate;

"Smart" cluster munitions: approximately 10% failure rate.

I would be most grateful if you could confirm whether we have recollected these figures correctly. Please do let us have your response in writing, as the Committee would like to be able to use the failure rates as evidence for its inquiry into the UK Government's policy towards the Middle East. The Committee would also welcome any further comments that you wish to make about the use of cluster munitions in Lebanon.

It would be useful to receive your written reply by 23 May 2007. Please do not hesitate to contact me if you have any questions.

8 May 2007

Memorandum submitted by CAABU (Council for Arab-British Understanding)

This submission looks generally at the current state of security in the region and focuses on how the UK has so far sought to handle this and suggest areas that need further examination.

EXECUTIVE SUMMARY OF MAIN POINTS

The security situation in the Middle East

1. The Middle East is experiencing several simultaneous actual or probable crises.
2. Iraq is the most dangerous immediate threat to regional security.
3. The Arab-Israeli conflict continues and chances for peace are limited. Additional clashes cannot be ruled out. The Palestinian Authority areas are facing an impending humanitarian disaster.
4. The fragmentation of ethnic and sectarian identities coupled with increased religious radicalisation poses a long-term risk to the region and beyond.
5. Any military attack on Iran would in all likelihood make the situation worse rather than better.
6. Anger with the West, particularly the US and the UK, is at a dangerously high level. There is little trust in what western politicians say.
7. The terrorist threat remains genuine. Al Qaida linked organisations and networks are active, increasingly effective, and successful in recruiting additional supporters and funds. There is an increased threat to British targets.
8. Political and economic reforms remain slow. The region requires significant extra economic growth to cater for a young population.

How have these threats been handled?

1. The international community has not played a positive role in preventing and resolving these crises.
2. The failure to resolve the Arab-Israeli conflict for so long has created negative and dangerous trends. Britain has lost influence in this conflict by moving away from a position rooted in international law and neutrality between the two sides.
3. The policy of ignoring, boycotting and sanctioning states and non-state actors has frequently failed. More efforts should be made to use diplomacy and negotiation rather than resort to force.
4. International law has been undermined.
5. Lessons from Iraq do not seem to have been learnt.
6. Foreign policy failures are one major factor in fuelling support for terrorist organisations.
7. British public diplomacy has failed to reach out to the Arab world. There are insufficient human and financial resources deployed to handle the task.

Overall situation

The Middle East is in an increasingly uncertain, insecure and unstable environment. There have been some very high profile warnings from senior leaders in the region about this situation, leading to re-energised Arab diplomatic activity. King Abdallah of Jordan has spoken on several occasions about the dangers of three actual or possible civil wars in Iraq, Lebanon and Palestine. To these, one should add the anarchic situation in Somalia and the crisis in Darfur. In addition, there have been increased tensions with Iran and further terrorist bombings in North Africa, notably the attack in Algiers on 11 April 2007.

Perhaps the most dangerous issue is the atomisation of various countries into different sectarian, ethnic and tribal identities. This undermines the glue that has held these potentially fragile states together for centuries. In the past, the Near East in particular, has been a fine example of inter-ethnic and inter-sectarian tolerance. There has been an alarming level of debate about divisions between Sunnis and Shias, talk of a Shia crescent, and Iranian ambitions. All this has placed minority communities in a situation of potential danger in many countries. Sunni and Shia have lived side by side in many states for centuries. If this harmony was to unravel further, it would have huge implications for the long term stability of the region.

There has been an increase in support for Islamic parties of all types, including those that espouse violence, and those that are ideologically similar to Al Qaida. This latter trend must be seen as a cause for concern. However, there are indications that certain Muslim Brotherhood organisations, which are very different to Al Qaida and Salafi groups, are more prepared to engage with elections and the political process, though it remains to be seen what happens if and when they gain power. Islamist parties currently hold majorities in democratically elected Parliaments in Bahrain, Iraq, Iran, and Palestine. Such parties have also been increasingly successful in Egypt and Jordan.

This radicalisation has gone hand-in-hand with increased anti-American feeling, leading to more attacks against US targets such as the Embassy in Damascus in September 2006. By virtue of the close relations Britain enjoys with the US, this has also led to significant and, at times, dangerous anti-British feeling. This anti-British sentiment results from a variety of factors, including; historical reasons not least its role in Palestine, the closeness of the alliance with the United States, our involvement in Iraq, the boycotting of the democratically elected Palestinian Authority, and the failure to call for an immediate ceasefire in Lebanon whilst assisting in the re-armament of Israel. Much of this is directed personally at the Prime Minister, Tony Blair.

There is an increased threat to British targets including people. Embassies and British NGOs have been and remain potential targets. There have also been kidnappings such as that of the BBC's Gaza Correspondent, Alan Johnston, as well as the abduction of British sailors and mariners in the Arabian Gulf. There is little prospect that this position will improve in the near future. Increasingly, there are larger areas of the region that are becoming "no-go zones" for most diplomats, journalists and aid workers. This has diminished the ability of external actors to understand regional events and trends, and to predict important changes.

Further instability could, in the not too distant future, pose a far greater risk to vital British strategic interests. If there was to be any further conflict in the Arabian Gulf, this could jeopardise vital oil and gas supply routes, and indeed Britain's energy security. Such a conflict could also harm British commercial interests as well as endanger the large expatriate communities there. The huge inward investment into the UK from Arab sources in the Gulf would also be at risk.

CURRENT CONFLICTS AND SECURITY THREATS
The Arab-Israeli conflict

Resolving this conflict is vital. There are some who realise that there is a limited window of opportunity for Israel and Arab states to make a deal before extremist Islamist movements manage to take power in key states. A failure to resolve this conflict would certainly make this a more likely scenario. There is also much criticism that the current American administration has failed to take this conflict sufficiently seriously, despite encouragement from Britain.

Feelings about the Arab-Israeli conflict have become far more intense in recent years, in part due to the escalation in violence between the sides and the sanctions against the entire Palestinian civilian population of the occupied territories. However, animosity to Israel has also been on the rise principally because of Israel's actions against Palestinians, many of which have been condemned by international human rights agencies and UN bodies. The Palestinian death toll exceeds 4,440 since the start of the Al Aqsa Intifada in September 2000. Arab satellite stations and the internet have ensured that scenes of conflict have been seen throughout the region. Suicide bombings against Israeli civilians have also increased Israeli fears whilst doing little to help the Palestinians, although these have declined in number over the last 12–18 months.

There are very strong and widespread feelings of frustration and anger about double standards. It is argued that whilst Iraq had to abide by every letter of every United Nations Resolution, Israel can not only ignore its legal obligations, but continues to be financed and heavily armed at the same time.

Moreover, the American-led call for greater democracy in the region was significantly, perhaps irreparably, undermined by the failure to recognise and engage with the democratically elected Palestinian Authority. For one year, the elected Hamas Authority was in government but was hardly tested in terms of having to deliver services and a programme as there were no funds to execute any plans. Many Palestinians saw its survival in the face of monumental pressures as a success in itself. Contrary to the hopes of Israeli and American policy makers, Hamas's popularity has not waned according to the opinion polls.

The Mecca Agreement signed in February 2007 seems to have put on hold the clashes between Fatah and Hamas fighters. It is vital that the new National Unity Government, which is widely supported by Palestinians from all factions, should be given a chance to function. The international community has delayed recognising this government, and this has only made the situation more difficult. A strong respected authority, with firm control over all the security services, is a vital first step to restoring order in the occupied territories. Such an authority must be recognised and supported internationally.

The central challenge is that Palestinian areas in the occupied territories have been fragmented, politically, economically, socially and geographically. It is difficult to see a strong central authority when, according to the UN, Israeli forces have put in place over 546 checkpoints and obstacles to movement in the West Bank alone.³⁵ This is one reason why both Fatah and Hamas appear fragmented, and little more than coalitions themselves. The Hamas party machinery seems much better organised than its rival.

Even before the election of Hamas, there has been little or no pressure on Israel to negotiate with the Palestinians. Israel has refused to negotiate with the Palestinian Authority since February 2001. In particular, a huge opportunity was missed after the death of Yassir Arafat whom the Israeli government had held personally responsible for the Intifada and attacks on Israelis. The election of Mahmoud Abbas in January 2005, a man who has a long history negotiating with Israeli partners and is a leading advocate of a two-state solution, could have ushered in a period of intensive negotiations. However, the Israeli response supported by the UK and the US, was to push forward with unilateral moves, through the disengagement plan, withdrawing settlers from inside Gaza, and completing the West Bank barrier. This undermined Abbas and Fatah, and further empowered Hamas who argued that it was its actions that had triggered the Israeli withdrawal. The consistent refusal to negotiate with Abbas led many Palestinians to conclude that Israel was not interested in peace, and that there was little point in re-electing a moderate group like Fatah.

There is no solution but to get back to the negotiating table. Both sides should realise that their own security stems from mutual security. The Palestinians Authority should recognise Israel, but the latter should also recognise a Palestinian state and renounce any territorial ambitions it has in the occupied territories, and freeze all settlement activity. Violence on both sides must cease. It should also be remembered that the PLO, headed by Fatah, is the Palestinian body charged with responsibility for negotiating with Israel not Hamas, a point that was recognised in the Mecca agreement.

Trust between Israel and the Palestinian authority is close to non-existent. Trust-building is therefore vital and an exchange of prisoners would seem to be one possible option. A strong international broker may well be needed.

A lifting of the economic boycott and the crippling closures of the Palestinian Authority areas is urgent, as a prerequisite to a re-inflation of the Palestinian economy. Palestinians are also facing a severe humanitarian crisis. Traditional coping mechanisms have been stretched and compromised. According to the UN, 80% of Palestinians now live below the poverty line.

³⁵ Figures from OCHA, March 2007.

Negotiations must be premised on trust and good faith. Central to this is the need to adhere to international law. The Quartet (The United Nations, United States, EU and Russia) has failed to insist that the parties abide by binding provisions in international law, even if there is no enforcement mechanism under Chapter VII. Negotiations can only take place on the basis of both parties' acceptance of each other's rights and entitlements under international law.

Although the rights of the state of Israel to exist as a sovereign state are repeatedly emphasised as a pre-requisite for negotiations, the following rights and entitlement of Arab states and the Palestinian people are not insisted on in the same way. These include:

1. The abandonment by Israeli of territorial ambitions in East Jerusalem, the Golan Heights, the West Bank and Gaza Strip in order that secure and recognised boundaries may be negotiated pursuant to UN Security Council Resolution 242. (The Gaza Strip remains legally occupied as Israel retains full control of land, sea and air borders.)
2. The unfettered rights of the Palestinian people to exercise their own right of self-determination.
3. The rights of refugees in international law.

There are several unresolved issues that could flare up into a further crisis. Jerusalem is particularly sensitive for adherents of all three monotheistic faiths. There are fears that Israeli authorities are deliberately planning to undermine the foundations of the Al Aqsa Mosque. Already it has provoked serious clashes in 1996 with the so-called tunnel riots, and also the Intifada in 2000 following Ariel Sharon's visit to the Haram Ash Sharif/Temple Mount area. There were further clashes in February 2007.

The other issue is the fate of the Palestinian refugees. There are now well over four million UN registered Palestinian refugees of whom 1.3 million live in UN camps. It is clear that a large percentage of these refugees fear that their rights have been ignored and that they have no stake in any peace process. It is important to realise that as 70% of the Palestinian population are refugees, any attempt to sideline or ignore their concerns is likely to fail.

There should also be a serious re-examination of the role of the Quartet. Whilst it may be desirable that key members of the international community have a united position, the Quartet has served to reduce the common position to the lowest common denominator position, typically that of the United States. The latter has shown an inability or unwillingness to act as an impartial broker in this conflict, so continuing membership of the Quartet has meant that other parties have effectively abdicated any potential role in resolving this crisis for fear of being seen to break rank. Other members of the international community, conscious of the need to resolve this conflict, should be mindful of the need to have their own freedom of movement. In particular, the Quartet has undermined the primacy of the United Nations in dealing with issues that threaten international peace and security. It is the United Nations that should be leading the efforts to broker an agreement.

British role in the Arab-Israeli conflict

Britain can play a very important role in this conflict. Its ability to do so, however, has declined over the years. Nevertheless, we are seen by both sides as having an historic responsibility and should be involved in trying to find a solution.

Britain should also return to a neutral position on the Arab-Israeli conflict. Until now, we have been involved in the arming and boycotting of one side. We are making forceful and concrete demands only of one side.

In such circumstances, it will not have surprised some observers that Britain actually took a more pro-Israeli line than the US in its Written Statement to the International Court of Justice requesting it to refuse to accept jurisdiction to issue the Opinion requested by the UN General Assembly on the question of the so-called Israeli Security Wall in 2004.

Moreover, the appointment of Lord Levy as the Prime Minister's Special Envoy to the Middle East has damaged the image of the British government in the Arab and Islamic world owing to his very close ties to Israel including the fact that his son worked with a then serving Israeli Minister. The situation was not helped by the fact that Lord Levy has no background in diplomacy and international relations. One senior Arab Minister informed CAABU that, when dealing with Levy, his government dealt with him as if he were a representative of the Israeli Prime Minister, not the British. Other Arab diplomats have refused to meet with him. Many British diplomats have raised concerns about his role to us including that, in one meeting, Levy pushed a position closer to that of the Israeli government than of the British. An impression, rightly or wrongly, has been created and entrenched that the Prime Minister's chief fundraiser has bought for himself effective control of British policy towards Israel and the Palestinians.

If envoys are to be used when dealing with delicate conflicts such as this one, we believe it is vital that Britain only uses those who have the requisite professional qualifications for the role and are deemed by all sides to be neutral.

That the British Prime Minister decided to take sides in internal Palestinian politics by supporting a call for elections by Mahmoud Abbas in December 2006 was seen as unfortunate, even by some Fatah politicians who acknowledged their unease to CAABU. He was seen as trying to invalidate what were acknowledged to be clean multi-party democratic elections.

Lebanon

Lebanon has been in a state of paralysis since December 2006. It remains one of the most serious flashpoints in the region.

The current crisis began in 2004 with the extension of President Lahoud's term of office. A wave of assassinations hit Lebanon, including that of Prime Minister Rafiq Hariri on 14 February 2005. There was a subsequent withdrawal of Syrian forces from Lebanon and a decline in relations between the two countries that had historically shared such close links, politically, socially, economically, and at a family level.

Recent Lebanese politics have been simplistically defined by how various Lebanese groups relate to Syria, and whether they are pro or anti-Syria. This can be very misleading but nevertheless underlines very strong feelings about the issue.

The crisis has unearthed and reawakened sectarian and ethnic tensions that had lain dormant since the end of the Lebanese civil war in 1990. Many of the same warlords have returned to the scene and are once again jockeying for power. CAABU and the Centre for Lebanese Studies undertook a one-year study of reconciliation in Lebanon in 2001. This research showed that there was very little attempt after the end of the Lebanese civil war to undergo a sustained reconciliation process. In considering this issue, reconciliation programmes will be vital in Iraq, Palestine as well as Lebanon.

Other issues have also not been dealt with. These include the Shia complaint that they do not have proper fair representation in Lebanese politics and that Shia areas of Lebanon have been neglected. Hizbollah has been able to tap successfully into this grievance.

There is also the ongoing conflict with Israel which broke out once again in the summer of 2006. Although Israeli forces withdrew from the Lebanese territory they had occupied until 2000, Israeli overflights across Lebanon, Lebanese prisoners held without trial in Israel and the issue of the Sheba'a farms remain outstanding. Both Israel and Hizbollah had been preparing for renewed hostilities when the latter organised a raid into Israel on 12 July 2006, which resulted in the capture of two Israeli soldiers.

The Israeli response radically aggravated the situation. Rather than targetting Hizbollah, it launched an assault on Lebanon that was widely condemned internationally as disproportionate and illegal. Israel once again adopted methods of collective punishment, including bombing Christian areas, and even the Lebanese army which Israel had been demanding replaced and disarmed Hizbollah in the south.

This was an object lesson in how not to win "hearts and minds" and how to lose a war through the use of too much force and reliance on aerial power. Hizbollah lured the Israelis into a war they were ill-prepared to fight against opponents whom they underestimated. Hizbollah rockets demonstrated a serious threat to areas of northern Israel and led to almost a million Israelis leaving their homes to head south.

The result is that Lebanon is a crisis waiting to happen. Sources from on the ground have told us that many people in Lebanon are talking in terms of when not if the war starts again. Unless serious and well-thought through diplomatic interventions take place soon, a further conflict is very probable, and it may be far harder to stop than in 2006.

Hizbollah has become a symbol of defiant resistance to Israel throughout the Arab world with the image of Israel as an invincible foe shattered. Many young Arabs, including Christians, believe that Hizbollah is the only Arab army to have defeated. This applies to Sunni areas as well as Shia. Posters of Nasrallah have been sold widely across the Arab world, including for example in the almost totally Sunni areas of North Africa. The events of last summer have given credence to the idea that negotiations have not worked with Israel and that only steadfast defiance will.

In any event, it is extremely unlikely that Hizbollah will be eradicated by naked force, at least not without creating much more serious long-term security problems not least for Israel.

Britain's role in the crisis with Lebanon was largely reactive and followed a US-Israeli line. The UK's reputation throughout the Middle East and Islamic world was severely compromised by a perceived inability to act neutrally, or to make a serious attempt to bring peace and security to the region. Britain was seen as merely aping the US position. By refusing to push for an immediate ceasefire from both sides, Britain was seen as condoning the disproportionate Israeli force deployed against civilian targets in Lebanon. Although many in the region had criticised Hizbollah, holding them responsible for provoking this crisis, subsequent Israeli actions and US-UK support for them, meant that Hizbollah became far stronger than it may otherwise have been. One of the consequences of this was that the Lebanese Prime Minister, Fouad Siniora, was seen to be very weak. He appealed to his friends in the international community, in both Washington and London, but got no response.

This conflict demonstrated more than ever the need to find a complete and total resolution to the Arab-Israeli conflict. In all likelihood, greater external pressure on the regional players to hold negotiations might have prevented such a clash. The US-Israeli tactic of trying to divide the Arab side by making peace with

one party at a time has meant that those excluded, notably Syria, see little prospect of their territory (the Golan Heights) being returned. Therefore support for those groups such as Hizbollah is likely to continue. Syria, including its President, has made clear that it would like to restart negotiations with Israel on many occasions but there has been no public response. In recent discussions, Syrian officials have also suggested that negotiations could start without any preconditions. There are numerous reports suggesting that it was the United States that made it known to Israel that it did not want to see a resumption of negotiations fearing that this would allow Syria to break free from its isolation.

It is imperative that Lebanon regains its full sovereignty, free from all external interference. In addition to regional actors, this process must also include the US and European states, particularly France. Solving the Arab-Israeli conflict will be vital to bringing this about.

Lebanon has always been very dependent on Syria and there are rich ties between the two countries. Relations between the two communities will need looking after.

One issue will be the future of the UN tribunal looking into the assassination of Rafiq Hariri and others killed. This is a very divisive issue in Lebanese politics. One danger is that a judicial investigation and process could be held hostage to both internal and external political pressures. Those responsible for the assassinations should be held to account but this should not be done in the court of public opinion based on partial evidence as was the case with the early part of the inquiry.

Syria

Efforts to restart the Israeli-Syrian peace negotiations could and perhaps should have been made. It is hard to disagree with the International Crisis Group's assessment earlier this year that "renewal is urgent and would have a real chance of success".³⁶ There is a fear that an opportunity may be missed, something recognised even within Israel.

The benefits of an Israeli-Syrian peace, even a cold one, should not be underestimated. This must include a return of the Golan Heights, occupied by Israel since 1967.

Iraq

This is the most difficult and dangerous security crisis facing the Middle East. The future of Iraq is seen as vital by most states in the region. The major regional powers are worried that a significant change in Iraq, including partition, would upset the traditional balance of power within the Middle East, and therefore are determined to ensure that their rivals do not establish control in Iraq. Turkey is unlikely to stand aside and allow the Kurdish regions to become independent or even quasi-independent. Saudi Arabia and other leading Sunni states have made it clear that an Iranian-controlled Iraq is against their interests. Iran does not want to see a return to a Sunni-run dictatorship in Iraq. Iran also wants to maintain its position as the centre of the Shia religious world. Other states, particularly Jordan and Syria, also have to handle a huge influx of refugees. Al Qaida has a long-standing anti-Shia position.

Essentially Iraq has gone almost overnight from a heavily government-controlled state to anarchy with no state control. One commentator has referred to this as the "US staticide in Iraq". With the state effectively dismantled, Iraqis turned to their own tribal and sectarian identities for security and support. Sectarian divisions deteriorated especially after the bombings at the Al Askari mosque in Samarra in February 2006.

Iraq's future potential has also been degraded. In particular, numerous academics, journalists, and doctors have been brutally targeted. This taken together with a huge brain drain, only extended and exacerbated the one that had taken place during the sanctions era. Any viable future for Iraq requires a period of calm whereby this pool of talent could be attracted back to the country.

The Iraqi government under Nuri Al-Maliki is extremely weak. Maliki is in no position to drive forward any vision of a future Iraq in the way that the Americans and British would like him to. He has to negotiate between more powerful Iraqi rival parties. Moqtada Al Sadr's Iraqi parliamentary bloc has withdrawn after Maliki refused their demand to set a timetable for US troop withdrawal. The future of the government is far from solid.

There are a number of potential obstacles on the horizon. There is meant to be a referendum on the future of the heavily contested city of Kirkuk later this year. The Kurds insist that this goes ahead as planned but other Iraqi politicians are less keen. There are also still revisions being made to the Constitution which continues to generate controversy. There is also the draft oil law which some in Iraq see as a vehicle for enriching foreign companies at the expense of Iraq.

³⁶ <http://www.crisisgroup.org/home/index.cfm?id=4758&l=1>

The security situation inside Iraq

The security situation inside the country is extremely volatile. Whilst there are areas where violence is minimal, particularly in the north, killings, kidnappings, smuggling, and criminality are rife in many areas, not least in Baghdad. There appears to be little shortage in munitions of all sorts and the know-how to deploy them. The scale of the killings and casualties has been immense and has scarred Iraqi society which has still to recover from the brutality of the Saddam Hussein regime, the Iran-Iraq war, the 1991 war, the sanctions regime and the 2003 war.

The US and UK were very slow or reluctant to recognise the nature of the insurgency and to assess the Iraqi component of it. From the beginning, the major component of the insurgency was Iraqi and not foreign. The US eventually had to admit that it held very few foreign fighters in custody. It was easier to blame Al Qaida in Iraq or remnants of the Saddam Hussein regime even though insurgents never called for Saddam's return. There was a deliberate attempt to underplay the role of Iraqi nationalist feeling. It is still thought more likely to be able to negotiate with Iraqi nationalist insurgents than foreign fighters. If this was successful, it would make it extremely difficult for foreign fighters to continue in many areas.

Extremists have recruited well in Iraq, not just because of the Anglo-American occupation but because the occupying power has been seen to treat Iraq like a trough to feed from, a site for military bases and lucrative contracts for companies who have never taken an interest in Iraq or the Iraqi people.

Iraqis and others find it very hard to believe that the US in particular has any intention of leaving, pointing to the huge US embassy and the military bases as proof of this suspicion. From the start, the lack of a US-free horizon for Iraq has undermined coalition activities. Many Iraqis were not prepared to fight for Saddam Hussein but were for their country.

The dilemma for the US is that if there were a withdrawal now, it would be the insurgents who would claim victory arguing that it was not the original intent of the US to leave and that it was their "resistance" that forced it out.

The continued presence of US and UK troops in Iraq is deeply unpopular throughout the region. A Zogby International/Arab-American Institute opinion poll taken in five Arab countries published in March 2007 highlighted very negative perceptions of the Iraq war, with as much as 96% in Jordan seeing the US role as negative, reinforcing the findings of previous polls. Even King Abdallah of Saudi Arabia, a close US ally, when speaking about Iraq has referred to an "illegitimate foreign occupation." Although he did not mention the US by name, but it is clear to whom he was referring to.

Attacks against coalition forces continue. April 2007 proved to have been the bloodiest month for British troops since the end of formal hostilities in 2003 with 14 British soldiers killed. By 30 April, 146 soldiers had been killed in total. There has also been a noticeable improvement in the capabilities of the attackers. A Challenger Two tank was pierced for the first time on 6 April 2007.

The policy of the US government from the start of 2007 has been to mount what was termed a "surge" in troop numbers in Baghdad and Al Anbar province. It is too early to reach any definitive conclusions. However, early signs are that Sunni insurgents have responded with a surge of their own with devastating effects for example with the bombing at the Sadriya market in April which killed over 140 people. The same market had been bombed in February killing 130 people.

Just as significantly, insurgents have proved that they can penetrate the "Green Zone" in the centre of Baghdad, and even targetted the Iraqi Parliament on 12 April 2007.

There is little evidence that much thought has been given to an alternative strategy to the surge, perhaps because this would appear to be a contemplation of failure. Similarly there is little evidence from American officials that there is a plan in the event of a need for an immediate or swift withdrawal of US forces.

The current strategy is to build up the Iraqi army and police units to take over security in Iraq. British forces have been able to withdraw from three out of four provinces in the South. However, across Iraq this operation has only met with limited success. Iraqi units have been found to have divided loyalties and often have stronger links to particular militias. Insurgents are also believed to have infiltrated these units.

The recent US decision to build a wall through Baghdad segregating three Sunni dominated neighbourhoods of Ameriyya, Khadra and Adhamiyah has proved to be another very unpopular decision. The Iraqi Prime Minister, in a sign of increased tension between his government and the US, has asked that this be stopped. Many experts remain unconvinced that this wall will stem the violence. It also could reinforce the sectarian divisions in the city.

A further ingredient in the possible future instability in the region is the situation facing Iraqi refugees and internally displaced Iraqis. According to the UN High Commissioner for Refugees (UNHCR), more than 730,000 Iraqis have been forced to flee their homes since the al-Askari shrine in Samarra was bombed in February 2006, adding to the approximately 1.2 million others displaced prior to that. It is estimated that 50,000 Iraqis are fleeing the country each month, with 2,000 entering Syria every day. Far more could be done to help neighbouring countries of Iraq, including Syria and Jordan, to deal with this huge influx. This was partially remedied by a conference in April 2007 where donor countries have increased their contributions.

Britain and Iraq

British involvement in Iraq has undermined and diminished Britain's reputation in the region despite a widespread acknowledgement of the superior performance of British armed forces in southern Iraq. Moreover, the continued failure, particularly of the Prime Minister, to acknowledge the serious failings of the exercise has not helped improve the British image.

There is a sense that those accountable have not held up their hands and accepted responsibility, neither for the flawed evidence used to persuade Parliament and the public that Britain was in imminent danger nor for the managerial failings that have been evident since the invasion.

Learning lessons from Iraq

There is little evidence in speaking to officials that there has been a serious attempt to learn from all the failures in Iraq. This stems from an unwillingness to acknowledge these, largely for political reasons.

There are many key questions to address. Was there too much of a rush to war in 2003, and should inspectors have been given more time? Were there enough forces deployed in 2003, and were they sufficiently resourced and prepared? Did the desire to find Weapons of Mass Destruction mean that the search for conventional weapons dumps that later fuelled the insurgency was ignored? Should the Iraqi army have been disbanded as it was, and was the comprehensive de-Ba'athification process necessary? Why was control of the Iraqi borders not given sufficient priority? Could there have been ways to stop the looting of Iraqi institutions? Were coalition planners far too reliant on Iraqi exiles lobbying for US intervention, who were widely discredited and had little influence on the ground?

Assessing these will be vital in trying to determine how to handle the region in the future. For example, how much credibility should be given to Iranian exile groups determined to see the end of the current Iranian regime? Such questions were also raised prior to the 2003 war, but government ministers and officials were reluctant to discuss this. They tended to work largely on the best-case scenario.

There is a danger, expressed for example by Oxfam, that one of the consequences of the Iraq conflict internationally is that there will be an increased unwillingness to intervene externally for example to stop genocides. There will be cases for military intervention in the future, but unless there is a comprehensive understanding of what went wrong in Iraq, there is a danger that there will be a lack of public support for such interventions and too much caution in policy making circles.

There is no clear framework to determine when Britain should or should not intervene. There is widespread concern that the failure of the US and the UK to respect the United Nations has been very damaging.

There is also considerable concern that as the junior partner in the coalition with the US, British advice was largely ignored, and that there was little engagement with the post-war management of Iraq. Whilst UK forces did succeed in their aim of having a much lighter footprint in southern Iraq, such efforts are undermined by heavier and clumsier tactics adopted by US forces further north. The failure to re-establish vital services in the south has not helped the British reputation.

It was also not clear that the US and UK shared similar objectives. There does not appear to be any shared agreement on the long-term objectives for Iraq agreed prior to the conflict, or even shortly afterwards.

Consideration could be given to a full independent inquiry into Britain's involvement in Iraq, free of party ties and any friendly or affiliated think-tanks.

Iran

Any military attack on Iran by any state or coalition would almost certainly have profound consequences for the region. Already the prospect has added to a state of nervousness in the Gulf. It seems from Al Qaida linked websites and internet traffic that a US-Iranian war would be very much welcomed by their supporters and there is a danger that such groups might wish to provoke such a conflict for their own purposes, not least their strong anti-Shia beliefs. Abu Omar al-Baghdadi, the then leader of "the Islamic State in Iraq", issued a statement in February 2007 welcoming the forthcoming US war with Iran.

There are major doubts regarding to the effectiveness of any possible military strike. There are reportedly up to 70 well defended nuclear facilities spread throughout Iran. Regional players fear Iran's capabilities to disrupt oil and gas supplies but also to provoke unrest in their countries, particularly where there are Shia minorities. An Israel-Hizbollah confrontation would also be likely.

Arab Gulf states are extremely nervous about Iranian ambitions and do not want to see Iran develop a nuclear arsenal or take over Iraq. Nevertheless, in discussion with Gulf Ministers, there appears to be no desire for a war and there is a marked preference for robust diplomacy and dialogue. There are concerns that US incompetence over Iraq could be repeated over Iran.

The Gulf already has experienced three wars in the last quarter of a century. The consequences have been severe and the impact of a fourth may be difficult to determine.

Terrorism

The threat from non-state groups prepared to use violence against military and non-military targets has increased significantly as the attacks on 11 September 2001 proved. Moreover, evidence suggests that their capabilities have also improved since then despite the extensive efforts of the US, UK and its allies. Terrorist targets have varied but have included attacks in the developed world and in Muslim states. It should be remembered that Muslims have been their greatest victims. Few countries in the Middle East have escaped such attacks.

The most infamous group is Al Qaida but this is in fact less a group than a network of similar ideological groupings that have local and regional colourings, often funded from similar sources.

Governments around the world have almost universally tried to take a tough line when confronting terrorism. The huge initial support for the United States after the 2001 attacks appears to have diminished. In the name of being tough, most states have accrued a variety of legal powers, some sensible, others less so. However, there is a tendency to believe that toughness is a substitute for astuteness.

For all the extra police, powers, and surveillance, the evidence and experience suggests that the bombers will still get through and are getting more and more sophisticated in their methods. Israel has adopted the toughest, most brutal anti-suicide bomb policies of any elected government, but these have largely failed. The suicide bombings against Israeli civilians have only increased since the first attack in 1994, largely a consequence of the failure to realise the dangers of a prolonged oppressive occupation. Britain has been adopting certain methods from Israel. Learning from Israel's failures could, in fact, be a more profitable lesson, not least the dangers of collective punishment and overwhelming disproportionate physical force against civilians.

Primarily, actions against terrorist organisations must be more targeted. On every occasion that innocent civilians are killed or injured, it is such organisations that benefit. They use such events to recruit and deliberately attempt to lure states into taking actions that may harm a civilian Muslim population.

Moreover, necessary actions against terrorist groups have been compromised by being lumped together with other issues. The war with Saddam Hussein's Iraq should never have been portrayed as an issue to do with the spread of terrorism. No substantive linkage has ever been proved, and few people believe, despite the official rhetoric, that it was for this reason rather than other issues that the US chose to go to war. The result was that vital resources were taken off what many believe should have been the prime focus of the post-September 11th world.

Similarly, too often politicians in the non-Arab world make the mistake of lumping Islamist groups together as one. Hamas and Hizbollah are both different from each but in turn are very different to Al Qaida type groups.

All actions also should be taken in compliance with international law not only to avoid accusations of double standards but also to show that efforts are made to maintain high levels of civilised practice, in contrast to the actions of the terrorists. The increasing use of torture for example, is largely counterproductive as has been the use of Guantánamo, seen by many, not just in the Islamic world, as a 21st century Gulag.

There have been some successes in anti-terrorism cooperation with various states. The UK has been active in assisting the Saudi authorities for example, with some apparent success. This needs to be continued and improved but must go hand in hand with a full policy review.

There will be little progress in the anti-terrorism field until the root causes of terrorism and alienation are addressed. Dealing with these root causes can achieve more lasting results rather than the short-term military-style solutions that more often than not backfire, with long-term consequences. Use of terms, such as "Global war on Terrorism", have been unhelpful.

There appears to have been little progress in diminishing the threat from terrorist groups. Whilst terrorists have been arrested or killed, many groups appear to be expanding and becoming more sophisticated. Financial sanctions on individuals have been applied and whilst this should be pursued further, evidence suggest they have had limited impact. There is little decline in levels of public support for such groups, and many of those who have been operational in countries such as Iraq and Afghanistan are returning to their home countries where they may pose an additional threat.

Weapons of Mass Destruction

The insecurity that exists in the region, together with the undermining of the nuclear proliferation regime over the last ten years means that the possibilities of terrorist groups obtaining such materials are high. There are concerns about security in Pakistan. Moreover, with India and Pakistan joining Israel as nuclear weapons states, and Iran believed to be following a similar agenda, other states may feel the need to go nuclear themselves. The total failure to put consistent pressure on Israel to reveal and give up its nuclear arsenal and to give it up has represented a serious impediment to non-proliferation in the region. Arab and other governments feel strongly that the UK only pays lip service to the stated desire to have a Middle East free of Weapons of Mass Destruction. The unwillingness to criticise Israel's possession of such weapons undermines Britain's credibility and influence.

Credibility will be vital. Politicians should be extremely cautious about making any inflated claims, and guard against dangerous hype. Intelligence must not be politicised but presented accurately and dispassionately to regain trust.

HOW HAVE THESE THREATS BEEN HANDLED?

Conflict Prevention and Resolution

There has been very limited success in conflict prevention and resolution in the region in recent years. Dangerous conflicts have been allowed to continue for too long. More effort, funds and thinking has gone in how to win wars but not how to win the peace that must follow.

The most obvious example of this is the Arab-Israeli conflict. There is a danger that a two-state solution to this conflict under a land-for-peace formula is under threat owing to the continuation of the conflict and the illegal creation of “facts on the ground”. This includes the ongoing expansion of Israeli settlements, bypass roads, and the routing of Israel’s barrier on occupied territory, not Israeli land, effectively annexing over 10% of the West Bank. Where are the calls for the sections of the barrier built on occupied land to be removed, and for settlements to be dismantled?

Every year that this conflict is not resolved, the more casualties on both sides continue to mount, along with the accompanying feelings of mutual hostility. It is now 40 years since the start of the Israeli occupation of East Jerusalem, the West Bank, the Gaza Strip, and the Golan Heights in 1967. This has had a huge political, economic, social and psychological impact on a population, not least because over 50% of Palestinians are children.

International organisations and key players

There are also serious questions about the ability of the current international organisations and actors to handle these situations. Multilateral organisations have appeared largely ineffective principally because of the determination of various leading states not to engage with them.

The United Nations should be at the forefront of attempts to resolve many of the issues in the region. However, owing to the positions taken by key member states, especially in the Security Council, the UN seems to be more politicised than ever. Over Iraq, many states felt that the UN was used merely to cloak the aims of the United States with a sense of legitimacy rather than to pursue the goals expressed in the UN Charter. On Israel-Palestine, there is frustration that the United States refuses and blocks any attempt to procure a meaningful role for the UN or implement the many UN Security Council Resolutions related to the conflict. Britain too, has begun to abstain on such UN Security Council Resolutions. There is a very real danger that this will further cement the belief that the UN is merely a pawn for the great powers, or that the UN is called in only to clean up the messes that these powers have created. This is one reason why the UN was viewed with such hostility in Iraq, by a population who saw it as having colluded in a sanctions regime that decimated its population and strengthened the regime of Saddam Hussein. This is a key factor in understanding the background to the bombing of the UN headquarters in Baghdad on 19 August 2003. Those who planned the bombing understood the local hostility to the institution.

It is the stated aim of the Foreign Office to improve the effectiveness of the EU, but in the context of the Middle East, divisions in the EU mean that it is far less effective than it should be. Britain has played a huge role in diluting and making irrelevant any EU position on the Arab-Israeli conflict. Furthermore, there is no strong coordinated EU position on Iraq, and there are divisions about how to deal with Iran.

The Arab League has also lacked the sort of influence that its creators may have hoped for. Divisions in the region have made it far harder to create a consensus and there is no sign of an effective regional security regime coming into existence.

However, perhaps the League’s one recent success is the Arab peace plan. Originally proposed in 2002, and approved again in 2007, has not been met with the enthusiasm that perhaps it merits. This may encourage a more hard line position from the Arab League and its members if this plan is once again ignored.

The United States’ influence in the region and its ability to end conflicts has also noticeably declined and therefore has impacted Britain’s. During the crisis in Lebanon in the summer of 2006, Mark Malloch Brown, the United Nations deputy Secretary-General, raised concerns that a replay of the US-UK alliance on Iraq may not be helpful and that others must be allowed to play a role. “What is troubling to me is the US and UK now carry with them a particular set of baggage in the Middle East. The challenge for them is to recognise that ultimately they have to allow others to share the lead in this effort diplomatically and (in putting together) a stabilisation force. It’s not helpful for it again to appear to be the team that led on Iraq or even on Afghanistan.”

Dialogue and diplomacy

There has been an increasing tendency to boycott parties or governments that do not share our views. For long periods there was little contact with Syria. British officials were not allowed to deal with Hamas even after it was democratically elected. Similarly there are no official contacts with Hizbollah.

It appears that there is a belief that severing communications poses a serious punishment for the target. However, the refusal to communicate even at low levels with such governments or parties typically has very detrimental effects. It empowers the hardliners who argue that the West is never to be trusted and weakens the moderates who may be willing to negotiate or change their positions. Talking to such groups need not be seen as an endorsement of their positions.

It is noticeable that continued relations with Iran allowed diplomatic channels to be used to resolve the crisis over the Iranian capture of 15 British marines and sailors. This was done with a government which refuses to recognise Israel or the Oslo agreements, is pursuing nuclear options, reportedly assisting Iraqi groups to attack British forces in southern Iraq, and backing groups such as Hamas and Hizbollah that the British government has designated terrorist.

This contrasts with the way in which Hamas has been dealt with. The group engaged in a political process, entering elections for the first time, whilst applying a unilateral ceasefire with Israel. Certain leaders within Hamas made clear that some formulation with regard to accepting the reality of Israel could be forthcoming and that ceasefire could be permanent. The reaction of the international community, including Britain, was to rule out contacts to explore these possibilities, thereby empowering the rejectionists within Hamas.

When the Foreign Office had to deal the kidnapping of the BBC correspondent, Alan Johnston, the Foreign Secretary was compelled to authorise the British Consul-General in Jerusalem to conduct talks with the elected Palestinian Prime Minister, Ismail Haniyya, for the first time. It is very clear that had there been some initial contacts with Hamas leaders earlier, it would have assisted considerably.

It is hard to see what Britain gains by ignoring such groups. Over a period of time, our officials lose touch with events, trends and significant figures within these groups, and our ability to influence them to adopt non-violent paths diminishes significantly.

The use of force

There should be more detailed debate about the role of force. The collective mistake has been to use overwhelming force, a concept advanced by military figures such as Ariel Sharon. History has shown that violence breeds violence. US attacks on Libya in 1986, and Afghanistan and Sudan in 1998 were largely unsuccessful. Hitting the wrong target, as in the case of the Shifa factory in the Sudan, was extremely damaging. Similarly there has been an over-reliance on air power in military conflicts such as Israel's assault on Lebanon in 2006.

In responding to these fanatics, we have to be ruthless but it must be targetted. Carpet bombings, napalm and cluster bombs are big losers, as are sanctions and blockades. If Western leaders want to pose as civilised then they must behave and be seen to behave as such.

In this media-driven age, there has been too much glamorisation of war and violence. The dehumanisation of victims of conflicts that is seen in the media in Britain rarely occurs in the local media where Iraqi, Palestinian or Lebanese casualties are covered extensively and their stories are told. London was traumatised by the 7 July bombings which killed 52 people, but this is a daily occurrence now in Iraq, and less than the monthly average fatality count for Palestinians since the Intifada began in 2000. Greater efforts need to be made to realise the scale of the trauma associated with such conflicts and the long-term damage to security that they generate.

Have foreign polices fuelled terrorism?

The British and American governments vehemently deny any linkage between their foreign policy and acts of terror. This is especially true when Iraq is cited as a motivating factor. The official explanation given is that these acts are the result of a perverted form of Islam. However, it is noticeable that a host of Muslim groups and the bombers themselves do make clear that Iraq has been an issue. It has increased a sense of alienation and undermined a belief that Britain is truly democratic and independent.

As yet, no government has responded to such attacks with the vision or the courage to take up the real challenges. The United States attempted to destroy what it saw as the bases of Al Qaida in Afghanistan. The trouble is that the main base of Al Qaida is in the hearts and minds its adherents. There is a huge role for Muslim communities here but they cannot tackle the issues alone. The challenge that faces both the Muslim community and the West, is the intellectual and political marginalisation of these fanatics so that they can no longer gain ground and win further support.

The first step towards meeting this challenge is the beginning of a rational, mature debate on foreign affairs, and how Britain, the US, and the West interact with the Arab and Islamic worlds. This can only occur when all sides start to listen to each other more.

Using expert advice

The UK and US governments have ignored, to their cost, advice on Iraq from friendly countries in the region and elsewhere.

Additionally, more heed should be given to experts. For too long, the government has tended to ignore those people who know the Middle East and Islamic world best. Envoys, often ill-chosen, were deployed in part to bypass the so-called “camel corps” in the Foreign Office. It should come as little surprise therefore, that those who do not know the region so well, who do not have the grounding in this large and complex region, were unable to predict and handle the challenges that have ensued.

There was a tendency in many circles to simplify the situation with Iraq. A key tragic example was the lazy way in which Iraq was divided up into Sunni, Shia and Kurdish areas, ignoring the various sub-divisions amongst all three groups.

There should also be an acknowledgement in policy-making circles that Britain no longer knows the Middle East as well as it did in the past. Those who were tasked with ruling and managing colonies, protectorates and mandates in the region have either passed away or are advanced in years and out of touch with an area they once knew so well. However, many people in the region still assume that we know it as well as in the past which creates high expectations.

There has been a partial failure to replace their expertise with proper sustained investment in human resources, language training and academic centres of excellence dealing with the region. The Foreign Office has been undermined through lack of resources but also because key foreign policy decisions and moves have been taken elsewhere in government without proper consultation. Diplomats have increasingly conveyed to us their frustration and disillusionment with this, as well as a deepening belief that promotion is carried out according to political position not merit. Overall, there appears to be a decline in morale in the Ministry.

Relations with the US

Britain clearly must maintain close relations with the United States. However, there needs to be a re-examination of the terms of these relations especially where the Middle East is concerned. In the United States, domestic political agendas (such as a desire for revenge for 9/11 and the wish to cultivate the votes of both the Israeli and Christian Zionist lobbies) have pushed US foreign policy in particular directions that are not necessarily consonant with British interests.

The UK has been more closely aligned with US policy in the region than perhaps at any time since the Second World War.

Such a close alignment seems to be premised on the assumption that the US is the only serious external power able to impact the region. This is no longer the case, if it ever was, and increasingly there is more interaction between Middle East states and rising global powers such as China and India. China's oil needs are expected to increase four-fold by 2030 and relies heavily on gulf sources.

There is also an awareness in Middle East of a long-term need to look for alternative powers to the US and UK. Russia has made strenuous attempts to increase its influence, aided by larger oil and gas revenues. Vladimir Putin made the first ever visit to Saudi Arabia in February 2007. Russia has strong links with Iran and entertained the Hamas leader, Khaled Mishaal in Moscow for talks. It has helped Iran with nuclear power and the supply of reactors and had similar offers to other Middle East states. Russia has also made several arms deals with states that have angered Washington.

British public diplomacy

In Britain, there have been signs that the public has become disenchanted with spin and news manipulation. Politicians are increasingly not trusted and are not seen as credible, both at home and abroad, not least in the Middle East. The current British Prime Minister is not seen as honest and is largely deemed to have lied over the threat from the former government of Iraq and to be considered guilty of issuing well-intentioned promises on Israel-Palestine that he was unable to deliver upon.

The efforts to engage the Arab audience have been limited and largely ineffective. There are several notable reasons for this. Firstly, however we package recent events and actions they are largely unpopular in many parts of the Middle East and are likely to remain so. Secondly, the Foreign Office lacks staff with the necessary language and cultural skills with which to address this. Thirdly, there is a marked reluctance on the part of many senior British diplomats to engage the local media on issues which they feel very uncomfortable defending, such as the British government's position on Lebanon in 2006.

There is also a failure to recognise one of the most profound changes in the Arab world over the last decade which is the burgeoning array of new media outfits, and in particular Arabic satellite channels. During the 2003 war, there was little attempt to engage with them, or even to consider embedding some of their reporters with coalition forces. Out of the 500 embedded journalists with coalition forces only three per cent were from the Arab world.

British public diplomacy cannot be uncoupled from that of the US. There have been several US statements that have severely damaged attempts to win “hearts and minds”. The reference to crusades was most unfortunate, given that this is viewed in the region as a violent and bloody period of their history when Western Christendom invaded and looted their lands. Many see echoes of the past in what is happening today. Another issue was the “shock and awe bombardment that opened the war on Iraq in 2003. The images of this bombing aired around the world, combined with an expression that made it sound like a giant fireworks display, only encouraged sympathy for those on the receiving end of American and British bombs and admiration for anyone who felt able to fight back.

There has also been a noted reluctance amongst American and British decision makers to acknowledge the scale of Iraqi loss both during the war and the post-war era but also during the period of sanctions from 1990–2003. This has created an impression that the American and British governments do not care about Arab and Muslim casualties. In turn, there has been, at times, less sympathy for American and British casualties in Iraq and elsewhere.

Arabic Language standards

As already stated, there is increasing evidence that British officials lack the necessary linguistic and cultural tools to deal effectively with their Arab and Muslim counterparts. Public diplomacy in the Arab world would be far more effective if this was addressed as a matter of urgency. In the battle of ideas, too frequently messages have been delivered in English and not in the language of those people we most need to influence. Radical extremist groups do not suffer such a handicap.

According to official sources in October 2004, 108 officers had a current Foreign and Commonwealth Office qualification in Arabic with a number of other officers due to take examinations in 2005. This is insufficient in number and probably in quality.

A “Lessons Learned” Report for the Ministry of Defence also indicated that the lack of linguists caused problems on the ground for troops in Iraq.

“The war on terror”

This phrase has only recently been criticised as unhelpful by senior American and British politicians. However, the damage has been done. This has been portrayed as a war between the civilised and the uncivilised. There is still reference to Western values being superior, although it is not clear exactly what those “western values” are, or indeed that they actually originated in the “west”. The neutral expression “universal values” would have been equally effective at conveying the message intended.

Mutual respect

All sides have to ensure respect for other peoples and civilisations. Mass killings only occur when the victims have been so thoroughly dehumanised that the perpetrators not only do not care, but even celebrate the killings. The invasion of Iraq showed little respect for human life, and events in Guantánamo, Abu Ghraib, and Bagram have underlined the widespread belief in the Middle East and elsewhere that for some, Arabs and Muslims do not really count as human beings. Conversely, the terrorist attacks in London, and Madrid showed no remorse and respect for “western” lives.

We need therefore to humanise the other, to remember that actually there is more that unites than divides us. All nationalities, all faiths, all colours, have suffered under terrorism. Unless we work together, the extremists will win by dividing us.

Arms trade

The trading in conventional arms is a serious threat to the region. Arms smuggling is rife and arms sales have rocketed. Russia and China are trying to increase their share of this market.

Serious consideration should be given to re-examining the sale of arms into conflict zones by the UK. For example in July 2002, the Foreign Secretary cleared the sale by BAE of parts for Israel’s F-16 planes. These have been used in attacks on Palestinian civilian targets. Not only did this fuel the conflict, but it also sent out an extremely damaging signal of Britain’s siding with Israel. Oxfam has also found that the government has failed to take into consideration what impact such sales have on poverty levels in the purchasing states.

Economy

Regional economies are slowly starting to open up but challenges will remain for many years not least in a country such as Egypt where every year millions more join those looking for jobs. Much of this may be addressed by economic reforms in the various countries which are happening at various speeds. Income inequalities need to be addressed, as the gap between rich and poor has widened.

The region generally suffers from a lack of job opportunities. This has a significant impact on the population and especially the youth. In the occupied Palestinian Territories the situation is acute, as it is in Iraq.

Britain did play a very productive role in hosting the Yemen donors conference in November 2006 where nearly \$5 billion was raised. This is a country with large land and sea borders which clearly needed assistance in addressing not only its own internal security, but the arms and drugs smuggling that went on across its territory.

Reforms in the Middle East

There are many who attach long-term hope to reforming the region and exporting democracy to it. However, democracy needs internal acceptance and is unlikely to be exported successfully from the outside by foreign powers. Democracy also cannot be imposed overnight, and needs more than merely a ballot every five years.

It is widely perceived that external powers have their own agendas, and are only interested in seeing those parties they prefer to get elected. To corroborate their view, they cite what happened in the occupied territories in 2006 but also in Algeria in 1991. Failure by Britain and the USA to abide by international law is often cited as inconsistent with the democratic values the two countries are trying to export.

Given the deep and widespread mistrust of foreign powers, funding for democracy assistance and related activities from external bodies is increasingly proving unpopular. Those that do take these funds have been in danger of discrediting themselves locally as foreign agents. Oxfam has said it had to turn down British cash for its operations in both Iraq and Lebanon.

There needs to be greater thought and debate as to how to manage successful home grown paths to reform and democracy at paces that individual states can handle. Whilst there is a strong argument to suggest that successful reforms will help the regional security situation, these cannot be rushed through and there is no quick easy fix. If various states do wish to pursue this path, then consistency is vital to their credibility and ultimately to their success.

Immigration and Illegal immigration

Although this is another of the Foreign Office's priorities, the failure to produce stability in the region, and to prevent conflicts and terrorism, together with regional economic failures and lack of job opportunities means that immigration pressures to the EU, including the UK, remain very high. Much of this may well come via North Africa which is increasingly a transit point for migrants. One concern is that Britain has not paid sufficient attention to this region, and there is a dearth of expertise on these countries despite their increased importance. The Maghreb countries have been seen as zones of French influence but this ignores the desire of these countries to be less dependent on France, and to reach out to other European powers such as the UK. There has been some welcome change in direction from the Foreign Office in realising the importance of North Africa to Britain.

CONCLUSION

The threats to the security of the Middle East and to British interests have grown significantly since the start of the decade. One indictment of the situation would be to argue that such is the acute uncertainty, it is impossible to determine in which direction the region may go, but that in the short to medium-term, there is very little sight of progress.

It is conceivable that the Middle East may lurch from a major crisis every year, with sporadic increased acts of terrorism, and disorder. However, far worse scenarios, which might have appeared unrealistic only a few years ago, can no longer be ruled out. Britain will not be immune from the consequences.

The Foreign Office has highlighted ten strategic international priorities for the UK over the next five to ten years. In examining these in relation to the Middle East, it appears that there is no effective strategy in place to deliver on most of these, and in several, British interests have been severely and dangerously compromised. For example it is hard to see progress in countering the global terrorist threat or in preventing and resolving conflict prevention and reduction. The international system appears weak and divided, still reacts slowly and largely only when it is deemed in the interests of the major powers so to do.

The gulf between the "West", Arabs and Muslims is probably wider than ever before. Despite an increasingly globalised world, there is widespread mistrust and fear of the other. Different parties have dehumanised the other, and are no longer seemingly able to see through their eyes and understand their world.

A failure to address this and the root causes of this alienation and anger will seriously impair our ability to address the numerous and multi-faceted crises that confront us. Britain has lost its way and has become too associated with the use of force and violence, rather than the upholder of law and fairness.

11 May 2007

Memorandum submitted by Angel Rabasa, Cheryl Benard and Lowell Schwartz³⁷
A ROAD MAP TO BUILDING MODERATE MUSLIM NETWORKS

The struggle underway throughout much of the Muslim world is essentially a war of ideas. Its outcome will determine the future direction of the Muslim world and will profoundly affect the security of the West, determining whether the threat of jihadist terrorism continues and some Muslim societies fall back even further into patterns of intolerance and violence. Radical Islamists are a minority almost everywhere, but in many areas they hold the advantage because they have developed extensive networks spanning the Muslim world and reaching well beyond it, to Muslim Diaspora communities in North America and Europe. Moderate and liberal Muslims, although a majority in most Muslim countries and communities, have not created similar networks. Creation of moderate Muslim networks and institutions is critical because such networks would provide a platform to amplify their message as well as some measure of protection from violence and intimidation.

The initial impulse for moderate network-building may require an external catalyst. The United States and its allies and partners, in levelling the playing field for moderates, have a critical role to play. Many reservations have been expressed about such a goal, and indeed, the obstacles to influencing socio-political developments in the Muslim world should not be underestimated. Nevertheless, there is in fact considerable experience available, dating back to the U.S. and British efforts during the Cold War to foster networks of people committed to free and democratic ideals.

It is widely acknowledged that U.S. and Western initiatives in the “war of ideas” have not yet achieved the desired momentum. The effectiveness of these effort is obstructed by a system-wide inability to answer the three fundamental questions at the heart of such an undertaking: what exactly we should be doing, where should we do it, and with whom we should be doing it. Drawing on a recently completed report issued by the RAND Corporation, *Building Moderate Muslim Networks*, this paper proposes solutions to each of these dilemmas and describes a roadmap for a more effective conduct of the war of ideas on the foundation of authentic and effectively networking moderates.

We begin by analyzing the Cold War precedent, and describing how network building was found to be a key component in the strategy to oppose Communism. Next, we summarise our findings concerning current U.S. strategies and programs of engagement with the Muslim world. We review how similar challenges were successfully met during the Cold War, and describe how the United States and its allies then identified and supported appropriate partners and how they attempted to avoid endangering them. We discuss some approaches for achieving a similar set of criteria for partners, and for geographic areas of focus, under the different circumstances prevailing today. Finally, informed by the findings of previous RAND work on the ideological tendencies in the Muslim world, we develop a “roadmap” for the construction of moderate Muslim networks and institutions.

The Lessons of the Cold War Experience

The efforts of the United States and its partners, primarily the United Kingdom, during the early years of the Cold War to help build free and democratic institutions and organisations hold lessons for the global war on terrorism. At the onset of the Cold War, the Soviet Union could not only count on the allegiance of strong Communist parties in Western Europe, but of a plethora of organisations—labor unions, youth and student organisations, and journalists’ associations—that gave Soviet-backed elements effective control of important sectors of society. Outside Western Europe, Soviet allies included a number of “liberation movements” against colonial rule. In addition to the military shield provided by U.S. nuclear and conventional forces, the success of the containment policy therefore required the creation of parallel democratic institutions to contest Communist domination of civil society. Among the best known of these organizations were the Congress of Cultural Freedom, Radio Free Europe, Radio Liberty, the Free Trade Union Committee, and the National Student Association.

One important feature of this effort was the linkage between the public and private sectors. As historian Scott Lucas noted, in these “state-private networks” the impetus for actions against Communism came from the private side of the equation. Within the United States and Europe there already was an intellectual movement opposed to Communism particularly among the non-Communist left. These networks were not created out of thin air; they came out of wider cultural and political realms that the U.S. and other governments quietly fostered.

In almost all of these endeavours the U.S. government acted like a foundation. It evaluated projects to determine whether they promoted its strategic objectives, provided funding for them, and then adopted a hands off approach to allow the organizations it supported to fulfil their objectives without interference. Like any foundation, the U.S. government set out guidelines on how its money was to be spent. But in general, U.S. officials realised that the more distance between it and the sponsored organisation, the more likely it would be that their activities would succeed.

³⁷ This paper is based on the 2007 RAND report *Building Moderate Muslim Networks* (MG-574-SRF). We wish to acknowledge the contribution to this project of Peter Sickles, a 2006 RAND Summer Associate, in assessing U.S. government programs of engagement with the Muslim world.

The United States was not the only nation engaged in network-building activities at the beginning of the Cold War. In early 1948, the British government set up the Information Research Department (IRD), a secret part of the Foreign Office, to oversee British Cold War propaganda efforts. The IRD was guided by the principle that people in free countries would reject Soviet Communism if they understood the real conditions in Communist-controlled countries and the aims and methods of Soviet propaganda. To do this the IRD embarked on “worldwide operation of factual indoctrination” to counter Soviet propaganda. The IRD surveyed the structures of various communities both inside and outside Britain in order to identify opinion leaders willing to cooperate with the British government in combating Communism. The IRD was particularly interested in religious figures, union leaders, intellectuals, and journalists. Individuals from these groups were confidentially supplied with background materials about Communism and life in the Soviet Union from open sources and from British intelligence, enabling them to speak knowledgeably on the subject. These non-official figures were able to promote the anti-Communist message without appearing to be sponsored or endorsed by the British government.

In constructing democratic networks in the Muslim world today, the United States and its partners faces a number of challenges that mirror those faced by policymakers at the beginning of the Cold War. Three particular challenges seem especially relevant. First, in the late 1940s and early 1950s, U.S and British policymakers debated whether network building efforts should be offensive or defensive. Some believed the West should pursue an offensive strategy to roll back Communist rule in Eastern Europe. Others believed a more defensive strategy focused on containing the Soviet threat by bolstering democratic forces in Western Europe, Asia, and Latin America was more appropriate. For the most part the defensive strategy prevailed, although the United States also sought to reverse the flow of ideas, so that instead of Communist ideas flowing into the West via the Soviet Union and its front organisations, democratic ideas could infiltrate behind the Iron Curtain via the newly established information networks.

A second challenge policymakers in the Cold War faced was how to maintain the credibility of groups that the West was supporting. This was done in a variety of ways. One way was to support the efforts of private or non-governmental organisations, such as the AFL-CIO, with established relationships in the countries where they operated. Another way of maintaining credibility was through the appointment of reputable public figures as heads of these organizations. The leadership of these public figures provided a degree of credibility that helped to mitigate concerns about the groups. Finally, it is important to note that many key individuals and organisations were not averse to accepting Western funding. They fully understood the political costs and risks that came from accepting outside support. However, they believed in the cause that they were fighting for and they wanted to exploit every advantage that they could secure. A third key issue was how broad the anti-Communist coalition should be. For instance, should it include Socialists who had turned against Communism but nevertheless were critical of many aspects of U.S. policy? The decision was made that anyone could be part of this effort as long as they were willing to subscribe to certain basic principles. In the Congress of Cultural Freedom the membership ticket was agreement to an anti-totalitarian consensus. Disagreement with U.S. foreign policy and critic of American society was allowed and even encouraged because it helped to establish the credibility and independence of the supported organisation.

U.S. and Western network building activities are today widely regarded as one of the key reasons for the West's victory in the Cold War. The success of these efforts can broadly be attributed to several factors. The development of democratic networks was closely tied to a grand strategy that incorporated all aspects of national power short of war, including political, economic, informational, and diplomatic components. Also, U.S. and British networking efforts tapped into already existing movements and organisations in Western Europe. Government assistance was a vital complement in nurturing this movement without overshadowing it or crushing it with attention.

Moreover, there was a broad political consensus inside the United States and in some allied countries, notably the United Kingdom, on the need to fight Communism in its political and ideological, as well as military, manifestations. This consensus endured for almost twenty years, allowing these programs to operate without domestic political interference. This was despite the fact that many journalists, lawmakers, and intellectuals were well aware of the covert funding being provided to these programs. Finally, the U.S. government managed to strike a balance between allowing the groups it supported a high level of independence and ensuring that their activities converged with long-term U.S. strategic goals. The creative, credible and flexible efforts of these organizations would never have been possible under constant U.S. government supervision.

Similarities and Differences Between the Cold War Environment and the Muslim World Today

If we compare the Cold War environment with the situation in the Muslim world today, three broad parallels stand out. First, in both cases the West confronted a new and confusing geopolitical environment, along with new security threats. Then the threat was a global Communist movement led by a nuclear-armed Soviet Union; now it is a global jihadist movement striking with acts of mass-casualty terrorism. Second, then and now we have witnessed the creation of large new government bureaucracies to combat these threats. Finally, and most importantly, during the early Cold War years there was recognition that the United States and its allies were engaged in an ideological conflict. Policymakers understood that this

ideological conflict would be contested across diplomatic, economic, military, and psychological dimensions. Today, the U.S. and British governments considers themselves involved in a war of ideas against extremist ideologies.

Of course as with all historical analogies it is important to note the differences as well as the similarities between the past and the present. The Soviet Union represented a nation-state with state interests to protect, with defined geographical borders, and with a clear government structure. Today, by contrast, the West in part confronts shadowy non-state actors that control no territory—though they have been able to establish sanctuaries outside of state control—reject the norms of the international system, and are not subject to normal means of deterrence.

Several key differences between the environment of the Cold War and the Middle East today highlight the very different networking challenges. The first difference relates to the role of civil society. Historically civil society institutions have been very strong in Western Europe so there was a foundation for the United States to build on. In the Muslim world—particularly in the Middle East—the institutions of civil society are inchoate, making the task of building democratic networks more difficult.

Intellectual and historical ties were, of course, stronger between Europe and the United States. American political culture has its roots in Europe, in British constitutional and legal development and in the ideas of the Enlightenment. This shared experience and values made it easier for the United States to wage a war of ideas. While Western liberal ideas have taken root in some countries and among some sectors in the Muslim world—perhaps more than it is generally appreciated—the cultural and historical divide between the West and its potential partners is greater now than it was during the Cold War.

Additional, the information environment is very different today. During the Cold War the media was made up of a limited number of newspapers, magazines, radio and television stations. Today, the media environment in the Middle East is far more complex with traditional state run media outlets being challenged by the Internet and hundreds of satellite television stations. During the Cold War, the central challenge, particularly in Eastern Europe, was communicating truthful information that was being suppressed by governments. The challenge today lies in a proliferation of media much of which promotes and validates sectarian and extremist worldviews.

Moreover, conceptualising the challenge that the United States and its allies and partners face—and devising an effective response—is much harder in today's environment. During the Cold War the political choices for Western governments were clear-cut. The United States and its allies opposed the Soviet Union and its allies and defended their friends. In the Muslim world today the choices are much more complex, because to a large extent the criticism of the United States (and other Western countries) is that they are too close to authoritarian regimes. The dilemma for U.S. policy is that the promotion of democracy also undermines governments that are part of the regional security structures that the United States supports and depends on for operations in the global war on terrorism.

The U.S. Response to the Challenge of Radical Islam

In the wake of the 9/11 terrorist attacks, significant resources and attention were devoted to the physical security of American citizens and territory. At the same time, the recognition that combating terrorism required more than bringing terrorists to justice and diminishing their capacity to operate, inspired an effort to understand and address the “root causes” of terrorism. The National Security Strategy document of September 2002 elucidated a refined conception of security that emphasised the consequences of internal conditions of other states—particularly the lack of democracy. This theme was to be reinforced over the course of the next several years, from the 9/11 Commission Report to, perhaps most dramatically, President Bush's second inaugural address.

While the President's “Freedom Agenda,” highlighted in a series of very public documents and speeches can be considered to be a U.S. “grand strategy” in the global war on terrorism, a consensus on how to identify and support partners in the war of ideas has not yet emerged. Specifically, there is no explicit U.S. policy to help build moderate Muslim networks, although such network-building activity takes place as a by-product of other U.S. assistance programs. The heart of the approach we are proposing involves making this network-building activity an explicit goal of the U.S. government and its friends and allies.

Moderate network building can proceed at three levels: (1) bolstering existing networks; (2) identifying potential networks and promoting their inception and growth; and (3) contributing to the underlying conditions of pluralism and tolerance that are favorable to the growth of these networks. Although there are a number of U.S. government programs that have effects on the first two levels, most U.S. efforts to date fall within the third level, due partly to organisational preferences and to the fact that in many parts of the Muslim world there are few existing moderate networks or organisations with which the United States could partner. In addition, in identifying opportunities to promote the formation of moderate networks, the United States must contend with repressive environments and high levels of anti-Americanism.

Most of the U.S. government effort that concerns network building fall into the categories of democracy promotion, civil society development, and public diplomacy. Through traditional diplomacy, the United States engages in state-to-state dialogue and has crafted incentives such as The Millennium Challenge

Account for states to join the “community of democracies.” Publicly and privately, the United States emphasizes the benefits of adopting liberal democratic values of equity, tolerance, pluralism, the rule of law, and respect for civil and human rights.

In addition, both the Department of State and USAID have specific democracy promotion mandates. To translate these policy goals into action, the Department of State and USAID work through NGOs principally the National Endowment for Democracy (NED), the International Republican Institute (IRI), the National Democratic Institute (NDI), the Asia Foundation, and the Center for the Study of Islam and Democracy (CSID), all non-profit organizations funded by the U.S. government.

Although it is far from the largest U.S. program of engagement with the Muslim world, the Middle East Partnership Initiative (MEPI) represents a high profile attempt to break free from pre-9/11 standard approaches by structuring its programs on four thematic “pillars”—political, economic, education, and women’s empowerment—and by supporting indigenous NGOs directly on a more innovative and flexible basis. As a new office in the Department of State’s Bureau of Near Eastern Affairs (NEA), MEPI was designed to veer away from the conventional government-to-government approach and instead to rely on U.S. NGOs as implementing contractors to disburse small grants directly to indigenous NGOs within the framework of four “pillars.”

In 2004, the United States, together with its G8 partners, attempted to inject a multilateral approach with the launching of the Broader Middle East and North Africa Initiative (BMENA). In the summer of 2006 BMENA began an effort to replicate the model of the Asia Foundation—the most successful of the NGOs involved in programs to develop civil society institutions—and tailor it to the Middle East region.

Both democracy promotion and civil society building face two primary obstacles: active resistance by authoritarian regimes and a lack of tangible performance measurement criteria. Government resistance manifests itself in laws prohibiting NGO formation or acceptance of external support, strict monitoring of NGO activity and the expulsion of officials (Bahrain) and suspension of activities (Egypt).

The Roadmap

In developing a road map to building moderate Muslim networks, the first step is for the U.S. government and its allies to make a clear decision to build moderate networks and to create an explicit linkage between this goal and overall strategy and programs. To implement this strategy, it is necessary to create an institutional structure within the U.S. government to guide, support, oversee and continuously monitor the effort and to build up the necessary expertise and capacity. The same is true of other Western governments that may wish to participate in this effort. That structure should include:

1. An ever evolving and sharpening set of criteria to distinguish true moderates from opportunists and from extremists camouflaged as moderates. In cases where the United States and its allies might find it necessary to work with Islamists (in Iraq, for instance), the U.S. and allied governments needs to have the ability to make situational decisions to knowingly and for tactical reasons support individuals outside of that range under specific circumstances.
2. An international database of partners (individuals, groups, organizations, institutions, parties, etc.)
3. Mechanisms for monitoring, refining and overseeing programs, projects and decisions. This should include a feedback loop to allow for inputs and corrections from those partners who have been found to be most trustworthy.

Identifying Partners

A major problem in organising support for moderate Muslims is that Western governments and organizations have difficulties in distinguishing potential allies from adversaries. In work done by the RAND Corporation—Cheryl Benard’s Civil Democratic Islam and Angel Rabasa et al, *The Muslim World After 9/11*—we have identified a broad set of “marker issues” and the position of groups or individuals on these issues allows for a more precise classification of these groups in terms of their affinity for democratic and pluralist values. These marker issues include conceptions of government; views on the primacy of shari’a or Islamic law versus other sources of law, on human rights, including the rights of women and religious minorities; and on whether they support, justify, or reject violence to advance a religious or political agenda.

Within the spectrum of ideological tendencies in the Muslim world, we can distinguish three sectors that can be potential partners for the United States and the West in the effort to combat Islamist extremism: liberal Muslims; moderate traditionalists, including Sufis; and liberal secularists.

Liberal Muslims

Liberal Muslims may come from different Muslim traditions. They may be modernists, seeking to bring the core values of Islam in harmony with the modern world or, as in the case of the Indonesian liberal Muslim activist Ulil Abshar Abdallah and his Liberal Muslim Network, they might come from a traditionalist background. What liberal Muslims have in common is a belief that Islamic values are consistent with democracy, pluralism, human rights and individual freedoms. The name of “Liberal Islam” illustrate our fundamental principles; an interpretation of Islam which emphasizes “private liberties”.

Liberal Muslims are hostile to the concept of the “Islamic state.” As a noted Indonesian modernist, former Muhammadiyah chairman Ahmad Syafii Maarif, has noted, there is not a single verse in the Quran on the organisation of the state. Liberal Muslims discern the roots of Muslim democracy in the Quranic concept of shura or consultation, which leads to an egalitarian political system. In this view, an Islamic government must be democratic.

A consistent view in liberal modernist Muslim thinking is that the legal and criminal code referred to as shari’a is not only a product of the historical circumstances of the time when it was created, but additionally that radical interpretations of shari’a represent an arbitrary selection from within a much larger body of precepts. They further find that elements of it—for instance, flogging and amputation—are no longer contextual to modern standards.

Moderate Traditionalists and Sufis

Traditionalists probably constitute the large majority of Muslims. They are often but not always conservative Muslims who uphold beliefs and traditions received through the centuries—1,400 years of Islamic traditions and spirituality, which are inimical to fundamentalist ideology. These traditions incorporate veneration of and prayers offered at the tombs of saints and other practices anathema to Salafis and Wahhabis. Traditionalists interpret the Islamic scriptures on the basis of the teachings of the schools of jurisprudence (mazhab) that were established in the early centuries of Islam rather than through unmediated interpretation of the Quran and the hadith (the tradition of the Prophet Muhammad) as Salafists do. Many traditionalists incorporate in their religious practice elements of Sufism—the tradition of Islamic mysticism that stresses emotive and personal experiences of the divine.

What is relevant to this study is that Salafis and Wahhabis are relentless enemies of traditionalists and Sufis. Whenever radical Islamist movements have gained power they have sought to suppress their practice of Islam. Their destruction of early Islamic monuments in Saudi Arabia, as well as of irreplaceable historic mosques in the Balkans, is well known. Their victimisation by Salafis and Wahhabis makes traditionalists and Sufis natural allies of the West in opposing the dissemination of narrow and intolerant interpretations of Islam.

Liberal Secularists

Secularism was the dominant view of the state’s relationship with religion among political elites during the formative years of the modern states of the Muslim world; humanism, a form of secularism, has a strong tradition in the Islamic world, dating back to the earliest periods of Muslim history. However, in recent years secularism has steadily lost ground, partly because of the Islamic resurgence of the last three decades and partly because—especially in the Arab world—secularism has become associated not with Western models of liberal democracy, but with failed authoritarian political systems. Liberal secularists are closest in orientation to Western political values. They hold liberal democratic or social democratic principles that form the core of a Western-style “civil religion.” Although they are a minority within the Muslim world, there are indications of a secularist revival. Our study of Muslim secularists has shown that contrary to what is generally assumed, secularists are not a new or negligible phenomenon in the Muslim world and that Western government and institutions tend to underestimate their potential.

Organising the Networks

The network-building effort could begin with a core group of reliable partners whose ideological orientation is known, and work outwards from there. The effort to build moderate Muslim networks could be organised around the following core groups:

Liberal and Secular Muslim academics. Liberals tend to gravitate toward universities and academic and research centers, from where they can influence opinion. There are existing networks of liberal and moderate intellectuals throughout the Muslim world. This sector is therefore the primary building bloc for an international moderate Muslim network.

Young moderate clerics. One of the reasons for the radicals’ success in propagating their ideas is that they use mosques as their vehicles for proselytising and recruiting. Liberal academics, on the other hand, are not familiar with talking to people at the mosques. They find it difficult to translate the language of scholarship

to the language of ordinary people. Therefore, a liberal or moderate Muslim movement with a mass base will depend on enlisting the active participation of moderate clerics, particularly of young clerics who will provide the religious leadership of the future.

Community activists are the muscle of this initiative. They are the ones that propagate the ideas developed by liberal and moderate intellectuals. They are the ones that take risks by confronting often violent extremists in the battle of ideas, who are the victims of fatwas and attacks and who, therefore, are most in need of the protection and support that an international network can provide. An excellent example is Indonesia's Liberal Muslim Network, whose activists have taken a high-profile stand against Islamist extremism, and have been subjected to a campaign of harassment and intimidation.

Women's groups. Women and religious minorities have the most to lose from the spread of fundamentalist Islam and rigid interpretations of shari'a. In some countries women are beginning to organize to protect their rights from the rising tide of fundamentalism and are becoming an increasingly important constituency in reformist movements. Groups and organizations have emerged to advance women's rights and opportunities in the areas of legal rights, health, education, and employment. This upsurge in women's civil society groups in turn provides opportunities for moderate network building.

Journalists, writers and communicators. Through the use of the Internet and other new media outside of governments' control, radical messages have penetrated deeply into Muslim communities around the world.

Programs

The programs directed at the above audiences would have the following foci: democratic education, media, gender equality, and policy advocacy.

Democratic Education. The narrowly sectarian and regressive instruction on religion and politics dispensed at radical and conservative madrasas needs to be countered by a curriculum that promotes democratic and pluralistic values. A number of Western institutions have been conducting democracy-building projects in the Middle East. The Ibn Rushd Fund for Freedom of Thought, registered in Germany, supports independent, forward-thinking individuals in the Arab world. Other NGOs have developed curriculum materials and conduct training programs in law, democracy and human rights in the Middle East and Asia.

Media. Dissemination of information throughout most of the Muslim world is dominated by anti-democratic radical and conservative elements. In some countries, there is no moderate media. Alternative moderate media is a critical tool in the war of ideas. U.S.-funded broadcasting such as Radio Sawa and Al Hurra television lack the agility to address local concerns and issues and, in any event, do not foster the development of moderate media-focused networks. To reverse radical media trends, therefore, it will be critical to support local moderate radio and television programming, as well as websites and other non-traditional media.

Gender equality. The issue of women's rights is a major battleground in the war of ideas within Islam. As a 2005 Freedom House report stated, that the Middle East is the region where the gap between the rights of men and those of women is the most visible and significant and where resistance to women's equality has been most challenging. The trends in women's empowerment in the Muslim world are mixed. In some countries, women have made important inroads in advancing an agenda of gender equality. In other parts of the Muslim world, the growing strength of fundamentalism threatens retrogression in the position of women in society.

Policy Advocacy. Islamists used da'wa (Islamic propagation) as policy advocacy—in addition to transforming the individual the goal is to attain social and political objectives, which in the Islamists' view are undistinguishable from religious objectives. Moderate, liberal and secular Muslims need to engage in policy advocacy as well. Where Islamists are campaigning for the codification of their particular interpretation of Islam, moderate Muslims need to campaign against legislating discrimination and intolerance. Public interest advocates have multiplied throughout the Muslim world in recent years. These groups can help to shape the political and legal environment that, in turn, can accelerate or hinder the development of democratic civil society institutions.

Regional Focus

A major factor in the spread of Islamic radicalism is that the flow of ideas has been in one direction—extremist ideas from the Middle East to other regions of the Muslim world. We propose to reverse that flow of ideas by working with Muslim moderates in countries outside of the Arab world, where conditions are more favorable to the development of robust moderate Muslim networks and institutions, to strengthen these societies against the flow of extreme Salafist interpretations; and to disseminate moderate and progressive interpretations of Islam that could flow back into the Middle East through the international networks and channels of communication that we propose to build.

Muslim communities in the West and Southeast Asia are an obvious choice as the focus of this effort. Although Muslims in Europe have suffered from many ills, including inconsistent approaches to integration by European states, alienation from their national societies, and growing radicalism among second and third generation Muslims, nevertheless the familiarity of Diaspora Muslims with Western societies, their exposure to liberal democratic values and, no less important, their success in maintaining a Muslim identity within a pluralistic society, make them key potential partners in building bridges to other parts of the Muslim world.

Southeast Asia is also an obvious choice. Although the region is often overlooked in discourse about Islam, Southeast Asia is home to one of the largest concentrations of Muslims in the world. Moreover, the cultural, ethnic and religious diversity of the region has accustomed Southeast Asian Muslims to co-exist with other cultural and religious traditions, giving the practice of Islam in Southeast Asia its famously tolerant character. What is more relevant to this project is there is already in place in Southeast Asia a dense structure of moderate Muslim institutions, probably unparalleled in the Muslim world. The building blocs are there and need only to be connected to a network.

Although the Middle East is less promising and is not the focus of this proposed effort, there are democratising trends at work in the region that offer the prospect of transformation. In some countries—Morocco, Jordan, some of the smaller Gulf states—some democratic elements have been introduced and tolerant interpretations of Islam prevail. Therefore, despite the generally unpromising prospects, there should be a component of this project to link the small secular and liberal Muslim groups in the Arab world with each other and with compatible groups outside the region.

Email submitted by Chris Clark, UNIMASS

The failure rate of any type can only be accurately identified if we have the numbers and type fired/dropped by the Israelis and we have cleared all the UX.

This is currently not the case so any attempt to put an exact figure % will be incorrect.

We have established that the M85 with self destruct (what you call “smart”) has a failure rate of between 5–10%. . . .this is possible because they account for a smaller number of strike areas and there has been many detailed research visits to this end. Not so with the others and the strike areas are too vast to conduct this analysis in any realistic timeframe. The emerging failure rate for others is moving towards 30%. . . could ultimately be 25%, could be closer to 30%.

8 May 2005

Letter to Kim Howells MP, Minister of State for the Middle East, Foreign and Commonwealth Office

Thank you for appearing before the House of Commons Foreign Affairs Committee last month to give oral evidence on our “Global Security: Middle East” inquiry. As you will be aware, we have since had the opportunity to visit some of the key states in the region. We would like to follow up our visit with a number of questions on the role of the United Kingdom in the Middle East. These are listed below:

- (1) The Committee learnt in Damascus that the FCO has a negative stance towards Syria’s application to the World Trade Organisation. What is the FCO’s current position on Syria’s application to the WTO, and why is this position being held?
- (2) The Committee learnt in Damascus that the UK has developed an “understanding” with EU partners on a policy of no ministerial visits to Syria. The Committee was told that this “understanding” was “evolving”. What is the current policy of the UK with regards to ministerial visits to Syria?
- (3) The Committee was told that the EU was adopting a “go slow” policy towards ratification of the Association Agreement with Syria. What is the current position of the UK on ratification of the Association Agreement?
- (4) The Committee was told that \$1.2 million more funding would be required to complete the clearance of unexploded cluster munitions in south Lebanon by the target date of December 2007. What consideration has the Government given to providing this extra funding to ensure this work is completed on schedule?
- (5) What representations has the Government made to Israel to a) ask it to hand over all relevant maps locating unexploded ordinance and b) ascertain how many cluster bombs were dropped on Lebanon during the most recent war? What is your assessment of the overall level of co-operation provided by Israel in helping to clear unexploded cluster munitions from south Lebanon?
- (6) What representations has the Government made to the United States to encourage it to persuade Israel to provide figures for the number of cluster bombs dropped on Lebanon during the most recent war and to hand over all relevant maps locating unexploded ordinance?
- (7) On the Today Programme on 22 March 2007, you said that former US Ambassador to the UN John Bolton’s remarks suggesting the US had deliberately blocked a ceasefire in Lebanon

to give Israel a chance to destroy Hezbollah had “come as a surprise”. You said that “I certainly didn’t get a sense that there was some kind of formal collusion between the Israelis and the Americans. They certainly didn’t communicate that to us in any shape or form”. Is it still your view that such a “formal collusion” did not exist?

- (8) In a press conference in March, you suggested that based on your visit to Lebanon, there is no evidence that large amounts of weapons are being smuggled to Hezbollah from Syria, although some may have been smuggled before UNIFIL’s deployment. Does the FCO have any evidence to suggest that weapons are currently being smuggled across borders to Hezbollah?
- (9) What is the estimated frequency of Israeli overflights into Lebanon’s territory? We understand that the Government has made representations to Israel on this issue. Is it your assessment that these representations have had an impact on Israel’s behaviour?
- (10) What number of Iraqi refugees does the Government intend to allow to resettle in the United Kingdom in 2007?
- (11) What is the breakdown of staff employed by the FCO at each position from Ambassador to Third Secretary in each of the following countries in each year from 2000 to 2007? Are changes expected in the next two years?
Countries: Egypt, Iran, Iraq, Israel, Jordan, Lebanon, Saudi Arabia, Syria, UAE
- (12) What has been the expenditure of (a) the FCO and (b) DFID in each of the countries listed in the question above in each year from 2000 to 2007? How is this expected to change in the next two years?
- (13) How many staff based at the FCO in London have been working primarily on a) the Middle East excluding Iraq and (b) Iraq in each of the years from 2000 to 2007?
- (14) How many members of the diplomatic service have held fluency in Arabic in each of the years from 2000 to 2007? How is this expected to change in the next two years?

We would be grateful if we could receive a reply to these questions by 21 May 2007.

1 May 2007

Letter to the Chairman of the Committee from Dr Kim Howells MP

Thank you for your letter of 1 May following the Foreign Affairs Committee’s visit to the Middle East, I hope that this response provides you with a full account of the points that you raised.

Q1 The Committee learnt in Damascus that the FCO has a negative stance towards Syria’s application to the World Trade Organisation. What is the FCO’s current position on Syria’s application to the WTO, and why is this position being held?

The WTO is a largely apolitical body. Membership is achieved as a result of negotiation, amounting to a balance of rights and obligations. Countries who apply to join must make commitments to open their markets and to abide by the WTO’s trading rules. Membership is generally granted on the principle of consensus. The European Commission has sole competence to negotiate on behalf of the EU member states in the WTO with an applicant country. Neither the EU nor the UK has political reservations about Syria’s application to become a member of the WTO.

Q2 The Committee learnt in Damascus that the UK has developed an “understanding” with EU partners on a policy of no ministerial visits to Syria. The Committee was told that this “understanding” was “evolving”. What is the current policy of the UK with regards to ministerial visits to Syria?

UK and EU policy towards Syria in recent years has reflected the concern of the international community at the unhelpful role that Syria has been playing in the region. The UK continues to have full diplomatic relations with Syria and has contact with Syrian ministers when we deem it will usefully advance our interests. On 14 May the Foreign Secretary met the Syrian Foreign Minister, Walid Muallem, at the EU General Affairs and External Relations Council in Brussels. During his visit last year, Sir Nigel Sheinwald met with the President and Foreign Minister. The Foreign Office Director for the Middle East, Peter Gooderham, also met Syrian Ministers during his visit from 8–10 May this year. However, we continue to

calibrate the extent of our contacts against Syria's behaviour in the region and based on an assessment of whether such contact will advance our interests.

Within the EU there has been a discussion about the extent to which Syria might be ready to change its policies and how the EU might help bring this about. As a result of this debate, the EU High Representative, Javier Solana, visited Damascus in March to articulate to Syria what needs to happen for Syria to progress its relations with the EU. With EU partners we will continue to keep under review the case for further discussions.

Q3 The Committee was told that the EU was adopting a "go slow" policy towards ratification of the Association Agreement with Syria. What is the current position of the UK on ratification of the Association Agreement?

The UK shares with EU partners a number of concerns about Syria's policies in the region. The European Commission concluded negotiations on an Association Agreement with Syria in 2004 that would enhance economic relations. However, this has not yet been signed. More constructive Syrian policy in the region is a pre-requisite for progressing its relations with the EU. The EU High Representative, Javier Solana, set out what Syria would need to do in order for such progress to be made during his visit to Damascus in March.

Q4 The Committee was told that \$1.2 million more funding would be required to complete the clearance of unexploded cluster munitions in south Lebanon by the target date of December 2007. What consideration has the Government given to providing this extra funding to ensure this work is completed on schedule?

The UN Mine Action Coordination Centre (UNMACC) estimates that around one million cluster bombs were left unexploded in Southern Lebanon following the conflict last year. So far UNMACC has cleared approximately 50,000 unexploded cluster munitions. This clearance represents over 16% (31.5 sq. kms) of the land that was affected by unexploded ordnance from last year's conflict. However, there is a continued threat to civilians posed by the remaining unexploded cluster bombs. It is estimated that it will take 12–15 months to clear the remaining bomblets and it is currently estimated that an \$1.2 million will be required to complete the work of clearing it.

We have provided significant levels of funding to help with the clear-up operation. The UK has committed a total of £2,782,000 for de-mining work in Lebanon so far. The Government is planning to provide a further £320k this year to the Mine Advisory Group (MAG) for their £2.3 million cluster bomb clearance programme in Lebanon, and £1 million to the UN Mine Action Service (UNMAS), some of which will be allocated to Lebanon.

Q5 What representations has the Government made to Israel to a) ask it to hand over all relevant maps locating unexploded ordnance and b) ascertain how many cluster bombs were dropped on Lebanon during the most recent war? What is your assessment of the overall level of co-operation provided by Israel in helping to clear unexploded cluster munitions from south Lebanon?

Since the conflict last year we have made clear to the Israeli Government on several occasions our concern about levels of unexploded ordnance and cluster munitions in south Lebanon. We have no clear figures for the number of cluster munitions Israel dropped on Lebanon. However, drawing on Israeli media reports, UNMACC estimate that Israel dropped in the region of 4 million cluster bombs on Lebanon during last year's conflict from artillery projectiles. This does not take into account cluster bombs dropped via aerial delivery.

We have raised the issue with the Government of Israel. Through our Embassy in Tel Aviv we have sent a formal request to the IDF asking them to hand over the artillery data for their cluster bomb strikes. On 20 November 2006 an IDF Spokesperson informed us that, following the conflict, Israel had transferred maps to UNIFIL identifying areas suspected as consisting of duds, including those of cluster munitions. However, the UN continues to claim that the data provided is insufficient.

The Israeli Defence Forces have launched an inquiry into the use of cluster munitions during the conflict between Israel and Hezbollah between 12 July and 14 August last year, including on the chain of command between in ordering their use. This enquiry is ongoing and its findings will be made public once the investigation has concluded.

Q6 What representations has the Government made to the United States to encourage it to persuade Israel to provide figures for the number of cluster bombs dropped on Lebanon during the most recent war and to hand over all relevant maps locating unexploded ordnance?

The UK has not made representations to the United States to encourage it to persuade Israel to provide figures for the number of cluster bombs dropped on Lebanon during the conflict or to hand over all the relevant maps locating unexploded ordnance. We have, however, raised the issue directly with the Israelis and made a formal request to the Government of Israel to hand over all relevant maps locating unexploded ordnance.

Q7 On the Today Programme on 22 March 2007, you said that former US Ambassador to the UN John Bolton's remarks suggesting the US had deliberately blocked a ceasefire in Lebanon to give Israel a chance to destroy Hezbollah had "come as a surprise". You said that "I certainly didn't get a sense that there was some kind of formal collusion between the Israelis and the Americans. They certainly didn't communicate that to us in any shape or form". Is it still your view that such a "formal collusion" did not exist?

Yes, that remains my view. During last year's conflict between Israel and Hezbollah, the UK worked strenuously for a resolution to the conflict between Israel and Lebanon. The Foreign Secretary flew to New York in August to work towards agreement on UN Security Council Resolution 1701 with international partners. This followed a period of intense diplomatic activity, in which the Prime Minister, Foreign Secretary and I were all heavily engaged. The UK's objective was to secure a lasting resolution rather than a temporary ceasefire with an open ended risk of a return to conflict. UNSCR 1701 established both a ceasefire and a comprehensive process for addressing the causes of the conflict. The fact that hostilities have not resumed attests to the validity of this approach. We also urged the Israelis to exercise maximum restraint and avoid civilian casualties.

The UK continues to be actively involved in efforts to bring stability to the country and the region. I visited Lebanon in March, where I met the Prime Minister, the Speaker and key figures in the Army and in the UN. The UK was certainly not involved in collusion with either the US or Israel to support the continuation of hostilities or to block a ceasefire. Whilst I cannot speak for the US position this matter, I do not believe they acted differently.

Q8 In a press conference in March, you suggested that based on your visit to Lebanon, there is no evidence that large amounts of weapons are being smuggled to Hezbollah from Syria, although some may have been smuggled before UNIFIL's deployment. Does the FCO have any evidence to suggest that weapons are currently being smuggled across borders to Hezbollah?

During my visit to Beirut in March I gave a number of press conferences and media interviews, in which I expressed my concern about reports about Hezbollah's arms smuggling activity. As I said in an interview for Radio 4 given in Beirut, "I sense the frustration that there is amongst the democratically elected Government at the prospect of Hezbollah arming itself to the teeth again and being prepared. . .presumably to take more action which will not only challenge the Israelis but will challenge the elected Government in Beirut."

During my visit to Lebanon I also visited the south of the country and held meetings including with UNIFIL Force Commander, Major General Claudio Graziano. Having seen the area for myself and discussed the situation on the ground with the Force Commander, I made the point in another interview that I was reassured that, within UNIFIL's area of operations, there was no significant Hezbollah activity in breach of UNSCR 1701. This remains my assessment. UNIFIL is also helping the Government of Lebanon prevent smuggling by sea. And the Government of Lebanon, with support from Germany and others, has taken measures to improve security at Beirut airport.

Nonetheless, I remain concerned by smuggling across the Lebanon-Syria border. Obtaining evidence of arms smuggling across that border is of course difficult. But our concern about Hezbollah's arms smuggling activity is shared by other organisations. In his latest progress report on UN Security Council Resolution 1701 in March, the UN Secretary General highlighted credible reports of arms being smuggled over the Syrian border to Hezbollah. He said that evidence had not been independently verified. But Hezbollah Secretary-General, Sayyed Hassan Nasrallah, himself appeared to provide corroboration when he said publicly that Hezbollah is back to full military strength. In his latest report on Security Council Resolution 1559, published on 7 May 2007, the UN Secretary General also reports that he has been provided with detailed information related to an extensive number of illegal crossing points between Syria and Lebanon. We are not able to estimate the volume of arms being smuggled.

The UK continues to regard it as vitally important that all possible action is taken to support the Lebanese authorities in addressing this issue. In response to mounting concerns, and with full UK support, the Security Council agreed on 17 April 2007 to the UN Secretary General's recommendation to dispatch an independent mission to assess the monitoring of the border. In accordance with the Security Council's Presidential Statement of 17 April, the Secretary General will keep the Council informed and report back to the Council in due course.

Q9 What is the estimated frequency of Israeli overflights into Lebanon's territory? We understand that the Government has made representations to Israel on this issue. Is it your assessment that these representations have had an impact on Israel's behaviour?

The UK is not in a position to monitor the frequency of overflights into Lebanon's territory directly. However, we know that overflights are continuing UNIFIL have recently announced the following that the following overflights have occurred.

<i>Month (2007)</i>	<i>Number of overflights</i>
January	45
February	47
March	67
April	113

The Israelis claim that such overflights are necessary to monitor arms smuggling to Hezbollah across the Syria/Lebanon border. Both the UK and other international partners have made representations calling on Israel to cease overflights into Lebanese territory. We continue to call on all parties, including Israel, to abide by UN Security Council Resolution 1701 and to respect Lebanon's territorial sovereignty and integrity. It is difficult to assess whether these representations have had an impact on Israel's behaviour, but we will continue to urge Israel to bring overflights to an end.

Q10 What number of Iraqi refugees does the Government intend to allow to resettle in the United Kingdom in 2007?

The Home Office is exploring with UNHCR the possibility of resettling a small number of very vulnerable Iraqi cases within our existing Gateway resettlement programme. Should the UK participate in resettling Iraqis, the exact numbers will be determined at a later date.

Q11 What is the breakdown of staff employed by the FCO at each position from Ambassador to Third Secretary in each of the following countries in each year from 2000–07? Are changes expected in the next two years?

Countries: Egypt, Iran, Iraq, Israel, Jordan, Lebanon, Saudi Arabia, Syria, UAE

Q12 What has been the expenditure of a) the FCO and b) DFID in each of the countries listed in the question above in each year from 2000–07? How is this expected to change in the next two years?

Q13 How many staff based at the FCO in London have been working primarily on a) the Middle East excluding Iraq and b) Iraq in each of the years from 2000–07?

Q14 How many members of the diplomatic service have held fluency in Arabic in each of the years from 2000–07? How is this expected to change in the next two years?

Due to changes in the Foreign and Commonwealth Office's Management Information system, the information you have requested in Questions 11–14 is not readily available. I will write again addressing these questions shortly but wanted you to have, at least, answers to the previous 10 questions before the recess.

Kim Howells

23 May 2007

Memorandum submitted by the British Council

THE SITUATION IN THE MIDDLE EAST

The memorandum draws the Committee's attention to factors in the accessibility of educational and social opportunity for young people and the area of cross-cultural understanding which have a bearing on the issues addressed by the Inquiry (Global Security in the Middle East).

SUMMARY

Over the next three years, the British Council will increase its work in the region, in particular in the areas of expanding educational opportunity, fostering social development and improving inter-cultural understanding and trust.

We will give priority to developing leadership through community-based youth programmes; developing skills through schools-based programmes, and developing partnerships with media organisations for reporting on social issues. We will reach beyond traditional elites to the broader mainstream of younger people.

Despite the evident lack of trust in the UK, there is nevertheless a growing interest, particularly in UK, in Arabic and Islamic culture, and a growing demand by sections of UK society for greater interchange on Arabic and Islamic culture, and the fostering of a more equitable dialogue and improving mutual understanding.

OBSERVATIONS ON INSECURITY IN THE REGION

The obvious locus of insecurity in the region lies with the conflicts in Iraq, Palestine/Israel, Afghanistan and Lebanon and with the national interests of the Western and regional powers. However, behind the geo-political drivers of current events lie the lives of ordinary people and professionals whose views and actions moderate the policies of national leaderships and who can either condone or exacerbate extremism within their societies or oppose or resist it. Long-term security therefore lies with the views and attitudes of citizens in both the region and the West. These views and attitudes, as everywhere, are heavily influenced by the availability of personal opportunity and quality of life and by underlying perceptions of the motives and values of the “other”. At present, both these are challenged. In particular, the common view in the region is that Western foreign policy is driven by double-standards and therefore the traditional role of honest broker no longer applies. For these reasons, the UK’s educational and cultural relationship with the region bears directly on long term global security.

EDUCATIONAL AND SOCIAL OPPORTUNITIES FOR YOUNG PEOPLE

There are significant challenges. Over 70% of the population of the region is under 30 and youth unemployment and under-employment is high. There is a growing gap between rich and poor with considerable disparities in wealth between rural and urban areas. While economies are growing, access to opportunity tends to be limited to social elites.

In the region as a whole 8 million children do not attend primary school while 27% of adults are illiterate. There are serious gaps between boys and girls in the education system, and higher education is a rare privilege. At the same time, developments in technology have led to a proliferation of TV and radio broadcasters, there has been a rapid growth in internet access in urban areas and e-communications are driving investment and growth.

An attitudinal survey of young people carried out by the British Council in the Near East (Egypt, Palestinian Territories, Jordan, Syria and Lebanon) shows distinct variations in aspiration between those of low/middle income who aspire to financial security, a sense of identity and stability and those of middle/high incomes who, while equally valuing social and family stability, aspire to self development and career progression. The former tend towards local media, while the latter to regional and international media. The former tend to travel little and value mutuality in engagement; the latter tend to aspire to engage in international networks and value leisure and recreation; they are driving the current growth of blogging, pod casting and online video.

Evidence suggests that societies are polarising on faith lines. There is an overall growth of conservative religious practice and in many countries also greater support for political Islam with an increased influence of radical Islamic opposition parties, legal or illegal. There is increasing discontent within more secular sections of society in reaction to this and a growing separation in political outlook between secular and faith based ideologies. Among secular groups there is a developing perception that the West is not interested in the cause of building society on citizenship principles.

Participation in society is generally increasing, while at varying pace. Media freedoms are restricted in most countries, and censorship of the internet occurs in some. There is a slow increase in women’s political participation but general support among governments for campaigns to bring women into public life. There is progress to develop and implement legislation to support women’s entry to the labour force although in general positive indicators on women’s representation in education are not yet carried through to the labour market.

International human rights organisations are frequently critical of the performance of governments in the region in upholding human rights. There are growing immigrant populations with limited rights and security in some countries (Syria, Jordan, Egypt). In Jordan, refugees from Iraq are not formally registered as refugees and therefore lack access to Jordanian education.

This context presents significant challenges for young people in terms of fulfilling their aspirations for economic and social security. British Council research in the Near East shows that a high proportion of young people at all levels of society are seeking greater access to education and skills, including to English which has become critical to career progression. They are also seeking avenues to contribute to their communities and societies. A consequence of being unable to fulfil these aspirations is dissociation from and dissatisfaction with society or attraction to more radical ideology.

THE CULTURAL RELATIONSHIP BETWEEN UK AND THE REGION

In general, the UK has not until recently prioritised building social, cultural and educational relationships with the region to the same extent as other regions such as Europe, East Asia, China and Russia. This is despite the UK's economic and security interests in the region which have been present for some time. To some extent this can be explained by challenges of language and the "middle income status" of many countries. Recently perceptions of the region have been affected negatively by media coverage emphasising violence. On the other hand, in reaction to events of the past four years, there is clear and growing interest by sections of UK society to gain access to the region and greater understanding of it.

ARTS

This is particularly apparent within the arts and the creative community who are showing interest in collaborative projects and unpacking stereotypes through film, theatre, visual arts, literature and music. This interest is matched by that of the sector in the region which wishes to promote Arab and Islamic culture in the UK and foster more equal dialogue and understanding.

There is a feeling amongst sector specialists and art audiences in the region, both young and old, that Arab culture is poorly represented, if not misrepresented in the West. While historical links and francophone policies in the region have led to more representation of Arab culture in France and some other francophone countries, this representation remains limited in the UK. This is interpreted by people in the region as lack of interest from the UK side in contemporary Arab life. This is an unfortunate message as the reality in the UK is otherwise: our work in the UK has shown that a huge interest in Arab culture is starting to develop. This feeling of a culture being marginalised by another, can lead to isolation, anger and protectionism towards the other culture. Attempts to address this feeling are welcomed and grasped especially by young people in the region.

Given the lack of individual freedoms in the region, art is often seen as a tool for political and social expression and many young people are turning to the arts. Artists and intellectuals are figures that people look up to for opinions not only on their specialised sectors, but on society as a whole. Arts and politics are interlinked with most artists on the side of opposition groups. Government sponsored artists exist and occupy positions in government ministries, but they have not won credibility and respect among wider audiences. The independent artists' opposition to government does not necessarily make them supportive of the West. On the contrary, most of them are critical of Western policies in the region.

The challenge of responding to interests in UK culture and UK interest in Arab culture is considerable. Areas of growing cultural engagement between young people include some sub-sectors of the urban music scene, particularly in North Africa. However, in general there are currently few opportunities for young people in the UK and the region to meet, connect and communicate and this is perpetuating a sense of difference and alienation.

Young musicians in the region surf the web and try to find out about UK music. They are eager for more East/West musical dialogue that would enable them to modernise Arabic music and through it, their own identity and voice. They see benefit from engaging with UK experience in using music a tool for self expression and wish to open up UK publics to the wealth of Arabic music heritage.

The picture is little better in the field of literature, theatre and film. There is little literature from the region available in translation in the UK and equally little from the UK available in the region. What exists tends to be limited to the classics. UK publishers are reticent to engage with the regional market and regional publishers lack understanding and skills necessary to engage with the UK. While UK publishers do well in delivering contracts for the English school curriculum in a number of countries, there is little further penetration of the market.

Theatre is one of the art forms in the region which is less subject to censorship and is becoming a platform for expression for many young people, who are pushing the boundaries on stage and addressing taboos of sex, religion and politics. Exchange in theatre between the UK and the Arab world is limited to showcasing British creativity in the region or to the few theatres in the UK that run active international programmes. For example, while Tunisian theatre, the most distinguished amongst Arab theatre today, has found its way to the stages of France, it remains almost unknown in Britain. Arab theatre practitioners are eager to make their voice heard in the UK and young practitioners to develop their skills through workshops and collaborations with UK artists.

Perhaps least exchange is happening in film, although both the UK and the region have a very interesting film scene and interest in both is considerable. The regional film scene is vibrant in its challenging of social taboos and questioning of many sensitive issues in contemporary life. New digital film technology is making film-making accessible to young people who are using it as a means of free self expression and experimentation.

EDUCATION

There is also huge demand for more engagement in education at all levels. Governments in the region seek support in areas of education leadership, teacher development, curriculum design, e-learning and ICT, quality assurance, work life skills etc. They seek partnerships with UK education institutions, whether schools, universities or colleges and access to UK systems, models and practices. Capacity is a problem, and therefore they are keen to exploit new options for provision such as private or distance options or devising new methods of delivery.

There have been more links and contacts established in education. In addition to the work of the British Council, much of this has been through DFID—including the Higher Education Links Programme. However, in the past three years, UK bilateral development funding in the region has greatly decreased with the exceptions of the Palestinian Territories, Yemen and Iraq, the Higher Education Links programme has ended and UK support is largely delivered through the EU. Opportunities for UK sector engagement now lie through the programmes of the Euromed Partnership and the World Bank.

While there remains a healthy interest from UK universities for regional engagement, particularly in specialist areas, UK schools are responding slowly to opportunities presented by the British Council to link with schools in the region. Where these links are occurring they have proved to be remarkably effective in delivering both pedagogical and intercultural outcomes. Amongst the most successful models for linking are those which use sport or the arts as a medium for communication.

The region is a secondary rather than major education market for the UK in terms of joint programmes, distance learning, publishing or qualifications (aside from Egypt and Saudi which have significant qualifications portfolios). However there are significant opportunities for UK exporters in Libya, Egypt and Jordan and countries in the Gulf which can be nurtured, and they can capitalise on the growing interest from the business community in learning and development opportunities for their staff. There are growing numbers of students going to the UK from the region as well as growth in transnational education. The Ministry of Higher Education in Iraq has recently signalled that they will be sending up to 400 Phd students a year to the UK and Saudi Arabia sends around 4,000 students on undergraduate and post-graduate programmes. In the Gulf in particular a number of UK universities are establishing programmes and in some cases campuses.

The UK's strongest brand in the region is perhaps "UK English" which stands out as an area where there is an overriding perception that the UK offers the better language model. This in turn enhances the reputation of UK education as a whole. Offering access to English is often the most effective way to open relationships with new partners.

MUTUAL PERCEPTIONS

All engagement is currently taking place within the context of insecurity and conflict in Iraq, Lebanon and the Palestinian Territories. Perceptions of the UK are heavily and negatively influenced by UK foreign policy involvement and have led to apprehension and scepticism on the part of some British Council partners. There is a clear decrease in trust and understanding between people in the region and the UK, even though a distinction is usually made between UK foreign policy and wider UK society.

There is a general resistance towards Western models of democracy and suspicion of the desire to "engage with the Moslem World" especially within areas of governance and social change. Equally, there appears to be some donor fatigue around support aiming to promote "good governance", democratisation and reform due both to the extent of impact, concerns about possible dangers of legitimising radical Islamist groups through elections and the suspicion in which the initiatives are held by wider society.

Language and rhetoric such as "radicalisation", "extremism" can be seen as reviving colonial approaches and dividing the region on the basis of religious sects. The "Broader Middle East" language comes under most criticism.

The media in the region also follows UK domestic debate on issues of multiculturalism and the integration of Muslims in the UK and has brought an impression that new legislation impacts negatively on Muslims in UK.

The picture of perceptions of UK lifestyles, ways of life and values is complex and varied. The UK is recognised as having many areas of strength, eg luxury/elegance, democracy, freedom, science and technology, fashion, movies, tourism, traditions/heritage, modernity, sports (especially football), cars and education. However, in almost every area, the UK is thought to be outperformed by another country most notably the US.

For those who have not been to the UK before, which is the majority, what they know is based on secondary sources (media, word of mouth, etc). As such, many of their views are stereotypical. There is, therefore, an opportunity to present them with an alternative perspective, for instance in terms of inventions in technology often attributed to the US but in fact from the UK.

RESPONSES

Whilst the picture of current contact and perceptions and the scope of opportunity available to young people in the region may appear gloomy, there are a number of effective avenues for greater and more effective UK engagement and support.

The main opportunity is to respond to the ambitions of young people for educational and social opportunity. The priority is for the UK to work in partnership with governments within their programmes of education development, providing young people with skills for employment and contributing to economic growth and social development. Equally important is to respond to the massive demand for English as the portal for access to global competitiveness and opportunity and to reach larger numbers of learners.

In the context of suspicion of recent Western intervention it is vital that mutuality informs all initiatives and programmes built around local agendas and models. This is particularly true in areas of governance and social development—that programmes are designed in partnership to meet needs and interests of both parties and with openness to learning and exchange on both sides. We should promote effective local models rather than import our own. This does not imply that we should engage from the position of a values-free arbitrator or broker of different positions. In this tricky terrain we need to be clear about the non-negotiable set of values which we believe can and should have universal application.

- Freedom of expression under the rule of law.
- Freedom of academic inquiry based on empirical evidence.
- The right to democratic representation and government by consent.
- Freedom from persecution and the right of minorities to participate fully in the wider societies in which they live.
- Freedom to engage in peaceful protest.
- Freedom to pursue and realise quality of life opportunities.

Within this context, the UK has considerable opportunity to support young people and professionals, particularly in civil society, to develop their skills and opportunities to participate in public life, and to promote wider acceptance and practice of the principles of EO, diversity and social inclusion. It is vital though to reach beyond the traditional elite to the mainstream of young people, in other words to the demand rather than the supply side of social change and to engage through practical programmes such as volunteering, leadership development or debating.

Finally, it is clear that a safer world can only be built on increased understanding and improved levels of trust. Here again, we need to reach out to the mainstream and to those moderate voices and institutions who influence them. Whilst we will work with relatively privileged young professionals, aligned to current leadership, we will also link up with young people through schools. Universities and youth clubs are an example of a catchment area in society where we may be able to engage “mainstream” young people effectively in a range of joint projects.

A STRATEGY FOR THE LONGER TERM

The response will require new partnerships with organisations in the region including seminal institutions of religious significance such as Al-Azhar University as well as with the media both for wider influence and to address the question of reporting on social issues. Organisations in the region are open to such partnerships where there they perceive a genuine interest in their contribution to a relationship between equals.

There are major skills gaps which will require effort to develop capacity over generations. The interest in UK experience as a world renowned education provider and leader in educational reform at many levels is there.

2012 is the opportunity for a major initiative in international youth dialogue which can reach beyond the obvious to look at social issues and build leadership skills. Working through sport and other creative areas can be a very powerful way for young people who lack sufficient English to engage with their UK counterparts.

In all areas, a long-term strategy is needed to build trust and demonstrate commitment; trust cannot be created instantly and “quick fixes” would engender distrust. From the start, it is vital to bring together capacity building with networking and exchange of ideas. Imagination is necessary in using new media and in creative partnerships, including considerable scope for partnership with the private sector. Large, ambitious programmes will be necessary.

FUTURE WORK OF THE BRITISH COUNCIL

In the Middle East, the British Council is active in Algeria, Egypt, Israel, Iran, Jordan, Lebanon, Libya, Morocco, Palestinian Territories, Syria, Tunisia, Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, UAE and Yemen. We have a 75 year track record in the region in the field of cultural engagement, education reform and institutional and individual capacity building. We know from partner feedback and customer surveys that people in the region have recognised the British Council presents the UK's good intent and desire for collaboration across the region, within the more complex set of factors which influence perceptions of the UK in the region.

Our high level mission is to work for the long-term benefit and security of the UK; and we do this by growing strong, open, working relationships between the breadth of UK society and societies in the region. We participate robustly in the region's agenda for educational reform and skills building, and substantiate, particularly through professional collaboration, the drive for continuously improving intercultural understanding.

Tackling environments which give rise to alienation and religious radicalisation amongst young people and promoting intercultural dialogue and a sense of shared values will be a principle objective of the British Council's work over the next three years. We will focus on delivering:

- Increased opportunities for young people through education development and cultural exchange.
- Strengthened understanding of the principles of social inclusion and human rights and empowering their participation in open and civil society.
- Increased understanding and trust between young people in the region and the UK.
- International networks that influence intercultural dialogue and positive social change.

These priorities fit squarely with the UK's priorities, particularly "making the world a safer place" and the Supporting Democratic Development Theme of the Public Diplomacy Board.

OUR WORK IN ISRAEL: THE SIMILARITIES AND THE DIFFERENCES

Whilst there remain a number of practical constraints to joint working between Israel and neighbouring Arab countries, the strategic focus of our work in Israel is still very much in step with our work across the rest of the Middle East and countries in the wider European neighbourhood.

<i>British Council Target Outcomes</i>	<i>British Council products that support delivery of these outcomes in Arab countries of the Middle East</i>	<i>British Council products that support delivery of these outcomes in Israel and wider European neighbourhood</i>
Increased opportunities for young people through education development and cultural exchange	Reconnect Education	Skills @ Work
Strengthened understanding of the principles of social inclusion and human rights and empowering their participation in an open and civil society	Reconnect Social Development	Living Together
Increased understanding and trust between young people in the region and the UK	Reconnect Dialogue	Youth Sports Action!
International networks that influence intercultural dialogue and positive social change	Reconnect (all product strands)	Creative Collaboration

- Many of the young people we are working with—be they from the urban Jewish mainstream or the Palestinian Arab minority—see their relationship with the British Council as a way of bringing them out of isolation and connecting them with the outside world. This opportunity for intercultural dialogue is particularly valued given Israel's troubled community relations.

Our strong focus on community relations/co-existence with Israel's large Arab community (1.4 million people, 20% approx of population) is an important feature of our work and makes us well networked with an influential minority and this is particularly appreciated by FCO colleagues.

eg our "Youth Sport Action" initiative is a major new programme to share the passion of the London Olympics and realise its ambitious vision of sport and community service by building trust between different ethnic communities and then through youth exchange programmes to connect them with counterparts from the UK, mainland Europe and other Middle Eastern countries.

- Despite the continuing shadow of conflict, Israel's government is seeking to modernise and meet the challenges posed by its complex multicultural society. British Council is playing an important role here in connecting Israelis with UK experience around migration, diversity and equal opportunity.

In response to strong commercial competition in English language teaching and education promotion—especially from the USA—we have developed new approaches to English to build capacity specifically amongst disadvantaged youth in Israel's periphery eg Bedouin communities or new immigrants from Ethiopia and the former Soviet Union. We are also using English to enhance our community relations initiatives.

eg Our new “Living Together” programme will offer a networking and think-tank approach for young leaders from Israel's various communities to influence policymaking, respond to the challenges of multi-culturalism and encourage greater dialogue and cooperation between government and civil society.

- Israel's knowledge economy—with its high outputs in science, high-tech and creative industry—is driving economic growth and British Council's support for helping young people to benefit from this whilst nurturing economic and business relationships between Israel and the UK is much appreciated by our partners.

eg our Skills@Work Programme will engage with the Lisbon and Copenhagen agendas on skills for employability. It will bring together learning, work and enterprise across 17 countries in Europe and the Mediterranean rim area. It will do this by promoting links between education and industry, partnering with British institutions and business. In this way, the programme will place the UK centre-stage in developing aspects of the EU's Neighbourhood Policy.

Calls for an academic and cultural boycott of Israel have had an adverse effect on bi-lateral relationships and so through our programmes like BI-ARTS, a professional development and exchange programme we are encouraging a nuanced approach to support longer-term connections between UK and Israel higher education institutions, especially in relation to the arts and creative industry community.

NEW INITIATIVE

Over the next three years the British Council will build on current work and deliver it through our “Reconnect” programme, a multi-strand initiative which sets out to address the issues described above. This programme will enable us to realise our greater aspirations for UK engagement in the region and the region's engagement with the UK. It will fundamentally change the levels and degree of relationship that the British Council has been able to achieve in the past.

RECONNECT EDUCATION

We will scale up our current level of education work to enable real change to take place in state education systems at both school and further education levels. Our work will focus on linking policy makers to their UK counterparts and sharing expertise and practical experience. The objective is to improve employability and life opportunities for young people. We will facilitate networks of UK-regional practitioners through school links and e-communities which support leadership, teacher and curriculum development.

In response to the massive demand for English we will greatly increase the reach of UK support in terms of geography, social breadth and numbers, working both in support of government teachers, priority partners and general learners. Increasing access to availability of English plays a pivotal role in facilitating international engagement and communication for political economic and social ends—for commerce, for presentation of society's or an individual's point of view or cultural perspective.

RECONNECT SOCIAL DEVELOPMENT

Our main focus is on young people, working to provide them opportunity and skills to participate in public life, promoting debate and wider acceptance and practice of principles of EO and diversity and social inclusion. We support the formation of networks of professionals with international perspectives (and shared values) on social reform and link them with peers in the UK and elsewhere. This work addresses the UK's objective of strengthening open civil society.

We will greatly increase the volume and impact of our work. We will reach beyond the traditional elite to the mainstream of young people, many of whom will not be able to communicate in English—therefore we will work through arts, media and sport and to embed communication and language skills development within our work. We will develop new partnerships in the region and in UK with those who share our values and are able to extend reach to these young people and to organisations with particular influence on them.

We will prioritise:

- Leadership through community based youth programmes: volunteering and sport including possible focus on science and environment.
- Schools based programme of skills development for participation.
- Media partnership and development for reporting on social issues.
- Working with young leaders in government and civil society on issues of inclusion EO and diversity.

Our work will help raise the level of debate and public understanding around the notion of social inclusion and participation and of concepts such as freedom of expression, freedom of academic inquiry, equal rights and opportunity, transparency and accountability. We will work across a range of sectors and partners to build alliances for deeper understanding and to facilitate change.

RECONNECT DIALOGUE

In the medium term, a safer world will only be built on increased understanding and improved levels of trust between young people, who are the people who will influence future governments and social change. Working solely with privileged young professionals aligned to current leaders and secular voices will not create this influence. Therefore our focus will be on creating broader and more challenging dialogue including:

- Dialogue between young people in schools and universities and between artists and publics.
- Dialogue with institutions of religious influence such as Al-Azhar University, Cairo and the Ministry of Religious Affairs in Jordan.
- Dialogue with young Muslim leaders in UK and Europe.

This will include focus on:

- Arts in Education and involvement in 2012.
- Dialogue through music, visual arts, film and literature (with Arab World as Guest of Honour for LBF 2008) and environmental science.
- Capacity building for important institutions leading to wider engagement in areas such as English and communications.
- Pan-regional working with European regions.

BRITISH COUNCIL CAPACITY

In response to UK priorities, the British Council is moving additional resources to the region. We are also developing our capacity in terms of our organisational partnerships, ability to design and deliver larger, more ambitious projects and use new technologies, our capability in marketing and communications and our skills.

EXAMPLES OF CURRENT WORK

ICT in Education

Over the past two years we have worked with over 750 English, Maths and Science teachers to develop their skills and confidence in using ICT in the classroom as part of a regional project with the Ministries of Education and ICT in Egypt, Jordan, Lebanon, Syria and Palestine and UNRWA and the Gulf. Building on the teachers' skills, we have together developed and cascaded a training programme in each country and set up a regional online teachers' community. We have also provided a forum for policy makers and managers to discuss educational leadership in ICT. We ran a major regional conference funded by the Foreign and Commonwealth Office, Transforming Learning for 140 delegates involved in the project from Ministers to teachers to share experience in the region and beyond.

go4english.com

Just over a year since go4english.com celebrated its launch, this free English language learning site helps over 100,000 learners and teachers of English across the Arab world take to English like a duck to water. The unique, no-charge website has grown into one of the most popular English language learning websites in the Arabic speaking world; offering visitors of all ages and levels the chance to improve their English while having fun. There is more to go4english.com than just online activities; throughout the year over 5,000 teachers from across the region have visited the site as part of British Council teacher training programmes to develop their ICT and teaching skills.

Women at Work

As a contribution to gender equity agendas in participating countries, our new Women at Work project aims to enable young women across the Middle East, Near East and North Africa and the UK to make career choices beyond gender stereotypes. We are setting up a series of shadowing visits between female professionals and their counterparts in the UK. Working in a range of professional fields in seven countries, our aim is to raise awareness of the extent of women's contribution to working life and to break down entrenched stereotypes of those professions. The project was launched on 8 March 2007, International Women's Day, with two video conferences in which British parliamentarians linked with senior women from the region to raise some of the key issues facing women seeking to venture into non-traditional professional areas.

In Saudi Arabia we have introduced in the last year pioneering training and development programmes for Saudi women (the Springboard course), used Global Opportunities Fund support for Saudi women journalists to train in the UK and have established a countrywide network of women's alumni groups. This activity is unique and has been accompanied by considerable investment in our three women's centres, thus considerably extending our reach and impact amongst a previously neglected group.

EXPLORING THE LIFESTYLES OF MUSLIMS AND THE DEBATE ON ISLAM AND THE FUTURE OF EUROPE

The recent Nazra Festival in Cairo—organised by the British Embassy and the British Council with the support of BP Egypt—explored the life and lifestyles of Muslims in Britain today and it celebrated their outstanding contribution to British society, culture and ways of life. Nazra included a range of artistic and intellectual events, including concerts in Alexandria and Cairo by Sami Yusuf and a superb photographic exhibition by Peter Sanders depicting the life of British Muslims today. Central to Nazra was the visit of a delegation of young British Muslims who were typical in their enthusiasm for their professional, personal and spiritual life in the UK.

Music Matbakh

This two year regional programme which commenced in October 2006 provides the space for mutually beneficial creative collaboration between young people from a diverse range of musical backgrounds, enabling them to develop their skills and increase their understanding of each other's cultural environments.

The British Council is working with a range of UK and overseas partners to bring the most accomplished and innovative young Arab musicians to the UK for a three-week long residency in May 2007. The artists from the Near East and North Africa region will join forces with Britain's brightest new musical talent to create new work, drawing on a range of contemporary influences and performing work-in-progress in a variety of UK locations. The project will provide participating artists with new opportunities for personal and professional development and international engagement. It includes performances at major festivals in the UK and the Near East and North Africa.

"1001 School Links Programme"/Connecting Classrooms

We are creating links over the next three years between 200 schools in the UK and 400 schools in the region, forging links between over half million young people.

The UK-Middle East School Partnerships programme aims to enhance mutual awareness and understanding amongst student peers—particularly the 11–14 age group—and their schools and families, and to break down stereotypes and uninformed negative perceptions between the region and the UK. The programme involves the UK, and Bahrain, Iraq, Kingdom of Saudi Arabia (KSA), Kuwait, Oman, Qatar, United Arab Emirates (UAE), and Yemen.

The programme will enable more schools in the region to link with UK institutions and will be framed by our wider educational activity in the region, including school leadership training and ICT in Education.

Youth Works!

Vocational Education and Training is a main strategic issue for the Middle East. It is driven by burgeoning populations and concerns for greater social inclusion in the work place for young people of both sexes and a desire to place them as economic stakeholders and drivers of the economy. We are developing our vocational education capacity and work in response to this through a regional programme called "Youth Works!" programme brings together policy makers and practitioners from across the region and covers inspection training programmes; linking colleges in the region and the UK; occupational skills development and technical capacity building. In Saudi Arabia we are working very closely with the Ministry responsible for vocational training (GOTEVOT) to develop Sector Skills Councils. This is in co-operation with major UK partners including City and Guilds and Edexcel.

Letter to the the Israeli Ambassador from the Chairman of the Committee

I would like to thank you and your team for helping to facilitate the visit of the House of Commons Foreign Affairs Committee to Israel last month as part of our “Global Security: Middle East” inquiry. We had a rewarding and stimulating visit, and it has given the Committee a great deal to think about when it comes to consider its report to the House of Commons later this year.

As you will be aware, a delegation from the Committee visited Syria and Lebanon. The delegation was able to visit south Lebanon, where it took the opportunity to see some of the work being carried out to clear unexploded ordnance from the country. Members of the Committee were told that there were up to a million unexploded cluster bomblets in south Lebanon following the war last summer. The delegation also heard that the Government of Israel had not yet handed over relevant maps locating this unexploded ordnance. A written answer provided to Parliament by our colleague, the Secretary of State for International Development, the Rt hon Hilary Benn on 22 March 2007 notes that the British Government has asked Israel to hand over these maps.

As it begins to consider the conclusions of its final report, the Committee would like to invite the Israeli Embassy to provide formal written evidence on the issue of cluster munitions. The Committee would find it particularly valuable if the Israeli Embassy were able to provide written answers to the following two questions:

- 1) Has the Government of Israel been asked to hand over all the relevant maps locating unexploded ordnance to the British Government and other international actors working in Lebanon? If this is the case, and the request has been declined, what are the reasons for not handing over these maps?
- 2) What was the intended military purpose of using a large number of cluster munitions in south Lebanon at a late stage of the war last summer?

I would be grateful if the Committee could receive your reply by 28 June 2007 so it can consider and draw on this evidence alongside the other evidence it has received. I should state that formal written evidence received by the Committee forms part of the public record and is usually published with the Committee’s report.

Thank you once again for your assistance with our inquiry.

21 June 2007

Letter to the Chairman from the Ambassador’s Office, Embassy of Israel

Thank you for your letter of 21 June, I am pleased to hear you so enjoyed your visit to Israel.

We consider the use of cluster munitions in the war against Hizballah last summer as a legitimate exercising of our right to self-defence in response to Hizballah’s acts of aggression and grave violations of Israeli sovereignty. Hizballah’s actions included, inter alia, attacking Israeli servicemen and abducting two of them, and the launching of over 4000 missiles from southern Lebanon onto Israeli civilian population centres. Hizballah also chose to establish itself and its arms caches among civilians and within the civilian infrastructure, effectively turning ordinary Lebanese into human shields.

The Israeli use of cluster munitions was in full compliance with international law—specifically the principles of military necessity and proportionality. Cluster munitions were directed at rocket and missile launching sites. In most cases they were fired at open areas. In those cases where they were fired against targets located near or within built-up areas, this was carried out with the utmost caution so as to prevent civilian casualties, often costing our forces the element of surprise. Such measures included the dispersal of millions of fliers in Arabic from the air, the broadcasting of warning messages on the Al-Mashrek radio station and the delivery of thousands of recorded voices messages to our telephones.

Last but not least, we want to emphasise that, following the cessation of hostilities, Israel voluntarily handed over to UNIFIL operational maps of areas suspected of containing unexploded ordnance, including cluster munitions. In turn, UNIFIL passed on the maps to the Lebanese army.

I hope you will find this information helpful.

Zvi Heifetz
Ambassador of Israel

2 July 2007

**Letter to Richard Cooke, Parliamentary Relations and Devolution Team, Foreign and Commonwealth
Office from the Committee Specialist**

In his letter to the Committee dated 23 May 2006, the Minister for the Middle East, Dr Kim Howells, estimated that it would take 12–15 months to clear south Lebanon of the unexploded cluster bomblets remaining from the Lebanon war in 2006.

When the Committee visited Lebanon in March of this year, it was told by the United Nations that the target date to clear south Lebanon from cluster munitions was December 2007. We were told that it was important to meet this deadline in order to avoid a significant knock-on effect to Lebanon's recovery from the war. The UN told us that \$1.2 million extra would be required to meet this deadline.

Dr Howells' estimate of May–August 2008 as the completion date for clearance is at odds with the estimate provided to the Committee by the UN on the ground. The Committee would be grateful if the FCO could point out the reasons for this discrepancy. It would also be useful if the FCO could confirm whether the UN's target date of December 2007 will now not be met.

As the Committee is in the final stages of its deliberations in its Global Security: the Middle East inquiry, it has asked for an urgent response to this letter.

Imran Shafi

6 July 2007

**Letter to the Committee Specialist from the Parliamentary Relations and Devolution Team, Foreign and
Commonwealth Office**

Thank you for your letter of 5 July regarding the target dates for cluster munition clearance in south Lebanon.

We believe the most likely explanation for the differing dates for clearing unexploded cluster bombs in Lebanon is that there are two separate deadlines: a December 2007 target for making south Lebanon "impact free"; and a mid 2008 target for completely clearing mines from south Lebanon.

The UN Mine Action Co-ordination Centre South Lebanon (UNMACCSL) plans to make south Lebanon "impact free" of unexploded cluster bombs by December 2007. This entails clearing cluster munitions from areas where they pose the greatest threat to the civilian population, ie residential areas, roads, agricultural land and access to natural resources. To achieve this by December 2007, UNMACCSL estimated, at the time of the FAC visit, that they would need an additional \$1.2million in funding. As far as we understand, this timetable still stands.

However, it was always anticipated that it would take longer to completely clear south Lebanon of cluster munitions. So far UNMACCSL have taken slightly less than one year to oversee the clearance of 120,000 of the estimated 1 million cluster bombs dropped during the conflict in 2006. At the time Dr Howells wrote to the FAC UNMACCSL gave us to believe that it would take until mid-2008 to completely clear south Lebanon of cluster bombs. That is the target that Dr Howells was referring to in his letter, based on data provided by UNMACCSL.

I should also note that UNMACCSL's figures themselves have been subject to fluctuation. In the absence of strike data from the Government of Israel, UNMACCSL is operating without exact figures for the total number of cluster munitions fired during the conflict in 2006. As new strike areas are discovered, the timeframe gets revised. Other developments also affect the timetable as demining staff from the Lebanese Army involved in clearing south Lebanon get redeployed elsewhere, as they have done for the current operations in Nahr Al-Bared. Our latest understanding, which has been revised since Dr Howells wrote in May, is that it will now take until December 2008 to complete the work.

I hope the Committee will therefore understand the difficulty in giving an exact end date for completion of the process given the absence of strike data and the unpredictability of political developments.

Richard Cooke
Head, PRDT

12 July 2007

Memorandum submitted by Nomi Bar-Yaacov, Foreign Policy Adviser on Middle Eastern Affairs

THE COMMITTEE ASKED ME TO ADDRESS THE FOLLOWING QUESTIONS:

What should HMG policy focus on with regard to the Middle East Peace Process? What should Tony Blair, the new Quartet envoy focus on?

SUMMARY

HMG should give its full backing to Mr Blair, the newly-appointed Quartet envoy, whose mandate should be expanded to include a serious political role if he is to stand a chance in succeeding in his mission. Mr Blair is unlikely to be able to achieve progress on the institution-building and economic front (his current mandate) unless his mandate is expanded to include a political and security role.

HMG and Mr Blair's top priorities should be to get humanitarian aid and the flow of goods into Gaza in order to avoid a humanitarian disaster in the Strip, and to support President Mahmoud Abbas and his Emergency Government in order to help stabilize the situation in Palestine and avoid a return to violence.

Support to the Emergency Government should include not only the resumption of direct aid to the Ministry of Finance, but also the resumption of meaningful peace negotiations between Israelis and Palestinians. This should address the thorniest issues in the conflict, including final borders of the two states, the status of all settlements, the right of return of Palestinian refugees and the status of Jerusalem. Prisoner releases, Israeli release of Palestinian withheld tax revenues, the lifting of restrictions on the freedom of movement, and the halting of targeted killings are all welcome confidence-building measures (CBM), but they are insufficient at this stage to restore confidence in a peace process. It is important to link confidence-building measures to serious negotiations on a comprehensive peace settlement.

A genuine effort to address the needs of Palestinians living under occupation is vital. What they need is a real, not only verbal, commitment to a viable and contiguous Palestinian state. It is therefore necessary to focus on securing an end to occupation now, if the vision of a two-state solution is to be realized.

The West Bank and Gaza must be treated as one entity for the purpose of peace negotiations. After the violent takeover of Gaza by Hamas in mid-June, the West Bank and Gaza have effectively been severed politically. Gaza must not be left behind in the political process.

Current HMG and Quartet efforts should also focus on getting the Palestinian government to release the IDF's Corporal Gilad Shalit who was kidnapped from Israeli sovereign territory in June 2006. His release coupled with the release of Palestinian prisoners would serve as a vital confidence-building measure.

It is important for the Quartet to devise a strategy to monitor and limit the smuggling of arms through tunnels from Egypt into Gaza.

After the short-term goals of strengthening Abbas and the Palestinian Emergency Government are met, attention should be given to promoting a process of reconciliation between the Palestinian factions. It is counter-productive to ignore Hamas' victory in the January 2005 elections, and popular support for the movement, especially in Gaza. Hamas is part of the fabric of Palestinian society and engaging with the movement is the only way to prevent radical elements within the movement side-lining more pragmatic moderates. Polls indicate that if elections were held in the Palestinian Authority (PA) today, Hamas would get a third of the vote.³⁸

SUPPORTING THE NEW PALESTINIAN EMERGENCY GOVERNMENT

Both HMG and Mr Blair, as the Quartet's representative, should focus all efforts in the short term on supporting the newly-formed Emergency Government in order to avoid the collapse of the PA and a return to violence.³⁹ The Emergency Government is only a temporary government according to Palestinian law and given that it excludes members of both Hamas and Fatah, the two largest Palestinian parties, it clearly cannot represent the Palestinian people for long. Therefore, once the situation stabilizes, attention will need to be given to a national process of reconciliation. It will be up to the Palestinians to decide whether they choose to hold fresh elections, or whether they opt for a new National Unity Government.

³⁸ According to a Poll conducted by Khalil Shikaki's Palestinian Center for Policy and Survey Research (PSR) on 26 June 2007, if new parliamentary elections were held that day, Fatah would receive 43% of the vote and Hamas 33%. Support for all other third parties combined stands at 12% and 13% remain undecided.

³⁹ According to a Poll conducted by Khalil Shikaki's Palestinian Center for Policy and Survey Research (PSR) on 26 June 2007, support for the formation of an emergency government stood at 56% and opposition at 38%. It is noteworthy that opposition to the emergency government stood at 47% in the Gaza Strip.

HAMAS

Following the violent takeover of Gaza by Hamas in mid-June 2007, the question of how the international community should deal with Hamas has become even more complex. It would appear that the international boycott of Hamas has strengthened the extremes and marginalized the more moderate pragmatists, like former Prime Minister Ismail Haniya, who received nothing in return for his more conciliatory and progressive approach. The mood in Gaza at present is extremely defiant.

The Quartet should judge Hamas by its performance: its actual commitment to non-violence should be judged by its adherence to a Hudna or ceasefire and its willingness and ability to control and crack down on opposition groups like Palestinian Islamic Jihad which advocate violence against Israel and oppose any peace process.

Recognition of Israel should also be judged by Hamas' willingness and commitment to negotiate with Israel on the basis of the 1967 borders. Hamas' agreement to empower President Mahmoud Abbas to negotiate on its behalf should have been welcomed at the time.

The issue of recognition of previous agreements is tricky since neither Israel nor the PA have carried out many of their obligations under Oslo, the Road Map and other interim agreements. Hamas' commitment to respect previous agreements, as stipulated in the Mecca Declaration of March 2007, should have been welcomed by members of the Quartet. It should have been viewed as a cautious first step, even if it falls short of the Quartet's demand of Hamas to declare full recognition of the State of Israel's right to exist. Small steps in a difficult process must be viewed as progress and should be encouraged.

ISRAEL

Both HMG and the Quartet, under Mr Blair's leadership, should put pressure on Israel to negotiate final status issues with the Palestinians. Israeli Prime Minister Ehud Olmert and President Mahmoud Abbas have agreed to meet bi-weekly. Confidence-building measures like prisoner releases and the transfer of withheld tax revenues are welcome, but they are unlikely to achieve their purpose unless they are linked directly to negotiation on a comprehensive peace settlement.

In addition, HMG and Mr Blair should put pressure on Israel to dismantle the 102 illegal outposts in the West Bank and stop the expansion of settlements. The importance of settlement expansion should not be underestimated by HMG and the Quartet envoy.

Mr Blair should also engage in discussions with Israel about the possible lifting of the multiple restrictions on movement of Palestinian people and goods since the Palestinian economy cannot function without freedom of movement. The Palestinian residents of Gaza should not be held hostage to Hamas' take-over of the Strip. The crossings between Israel and Gaza should be opened urgently allowing the flow of goods to resume in order to avoid a humanitarian disaster.

More withheld tax revenues should be released to the PA and more prisoners released as part of a meaningful process.

All of these actions would serve as vital confidence-building measures. They should be set as benchmarks for the peace process rather than undertaken as isolated ad hoc actions.

ROLE OF ARAB STATES

The Quartet should work closely with the Arab Quartet, namely Egypt, Jordan, Saudi Arabia and the United Arab Emirates. They have an increasingly important role to play in the peace process.

The political process, security and economics must all be top priorities for Mr Blair, and addressed in tandem. One of the key mistakes that the Quartet made in the past was to allow the US to handle alone all political and security issues while the EU and UN were assigned to deal with economic aid. The latter found themselves pouring vast sums of money into a bottomless pit due to continuing insecurity and the lack of a meaningful political process. The only way to avoid this happening in the future is for the EU and UN to have a role in the political and security spheres too, working in close partnership with the US.

THE POLITICAL PROCESS

There is a short window of opportunity now for a serious push to resume talks on the so-called final status issues: borders, settlements, Jerusalem and refugees.

There is overwhelming support in the Israeli public for a peace deal and a window of opportunity to rebuild trust is now open and it must be seized.⁴⁰

⁴⁰ A Poll conducted by HaGal HaHadash in Israel in July 2007, published in English on 17 July 2007, found that 66% of the Israeli population supports resumption of final status negotiations immediately with PA President Mahmoud Abbas.

The parameters for final status are known to both parties to the conflict. The Arab Peace Initiative, endorsed by both Fatah and Hamas is an important landmark. It is not a peace plan, but rather a declaration of overture by the entire Arab world towards Israel on the basis of key principles. It rightly leaves the actual negotiations to the Israelis and the Palestinians. Other important framework documents include the Clinton parameters of July 2000, the Taba document of January 2001, and the more recent Geneva Initiative. All these can form a basis for serious peace negotiations. The Road Map is unlikely ever to be implemented since neither side is likely to carry out its commitments under Phase 1 of the plan. The Palestinians are called upon to dismantle all terrorist infrastructure and the Israelis to withdraw from much of the West Bank. The dismantling of terror infrastructure is only likely to come at the end of a peace process, not at its beginning.

Mr Blair should engage with the Arab League and the Arab Quartet in discussions on how to best implement the Arab Initiative. The EU should also encourage the Arab League to reach out to the Israeli public, to engage in confidence-building measures which will help persuade Israelis that peace really has a chance. More work needs to be done by Arab states and HMG in the area of Israeli and Palestinian public opinion. In a recent Tel Aviv University March Poll, it was revealed that half the Israeli population was not aware of the Arab summit in Riyadh in March and has never heard of the Arab Peace Initiative.

The disarmament, demobilisation, and reintegration of armed personnel belonging to the various Palestinian factions will be key to achieving a lasting peace settlement. It should only be expected that DDR will succeed as part of a political process when sufficient guarantees have been given to the various armed groups that their security will be assured. Hamas is unlikely to ever give up its arms before a deal is done. It is simply not how the movement works, and based on experiences from other countries, including Northern Ireland, this should not come as a surprise.

Similarly, Israel is unlikely to withdraw from parts of the West Bank without an agreement since it will be concerned about Palestinian groups arming themselves very close to the border with Israel. Israel has not had much success with its unilateral withdrawals.

SECURITY

One of the main problems in the PA is the multitude of security forces and the factional allegiances they hold. Most members of the Presidential Guard and the Preventative Security Service are allied to Fatah. That is why Hamas created its own security force, known as the Executive Force, which took control of Gaza in only four days of fighting in mid-June. It is important to recognize that Hamas views this move as a pre-emptive strike against Fatah.

Creating a unified and competent security apparatus in Palestine will be one of the most difficult challenges facing Mr Blair, but also the most important one. The scale of the challenge should not be underestimated by international actors who are placing pressure on President Abbas to restore security in Palestine. As with DDR, it is not realistic to expect significant progress in integrating the diverse security forces into a national force unless this task is approached hand-in-hand with the political and economic components.

Mr Blair should engage with other international partners to support a comprehensive Security Sector Reform (SSR) programme, with each partner working in their area of comparative advantage. This task is too delicate to be left to one country to lead. It is also imperative that there be a coherent framework for international assistance in the security domain. This will be necessary to ensure that donors do not work at cross-purposes. An appropriate balance must be struck between improving the governance of Palestinian security forces and bolstering their capabilities.

Striving for “One Authority, One Gun” should be the aim of SSR in Palestine.

ECONOMY

It is important to support the new Emergency Government directly and to ensure that it funnels appropriate funds to Gaza.

Following the victory of Hamas in the January 2006 elections, the EU devised a Temporary International Mechanism, known as TIM, to bypass dealing directly with the Hamas government. The TIM is intended to ensure that money gets to Palestinians in need and that salaries to PA employees are paid, at least in part. It basically provides a social welfare net.

The EU must now work towards the goal of creating a Palestinian economy which will replace the TIM. Palestine must not become a welfare-state.

It is time to engage directly with the Ministry of Finance, headed by Salam Fayyad who is currently Prime Minister, Foreign Minister and Finance Minister. He is a man well known to the HMG and other members of the Quartet, a former finance minister in the previous Fatah government to whom much credit was given by donors for the reforms he carried out at the time.

More efforts should be made to ensure the freedom of movement of goods. Israeli restrictions on the movement of goods are often intrinsically linked to security. More creative thinking is necessary in order to ensure that goods get in and out of the PA, especially Gaza, also in time of strife.

A prosperous Palestine is in the interest of not only Palestinians but also Israel and all neighbouring countries. Only prosperity will bring stability, and only security and progress in the political process will allow for vital and urgent economic reforms to take place.

SYRIAN-ISRAELI TALKS

HMG should support the immediate resumption of Syrian-Israeli peace talks. The contours of such an agreement are known to both sides and the time is certainly ripe. A Syrian-Israeli agreement will in all likelihood lead to a Lebanese-Israeli agreement and would greatly facilitate an Israeli-Palestinian comprehensive agreement as well as the normalization of Arab-Israeli relations in the region.

MOVING FROM CONFLICT MANAGEMENT TO CONFLICT RESOLUTION

In sum, it is time for the Quartet to move from thinking along the lines of conflict management to actually getting into the nitty-gritty of conflict resolution. It is time for the Quartet to come up with a detailed and comprehensive peace plan, with a new strict time-line. The required parameters are known to both sides and further time should not be wasted.

Mr Blair should also engage more broadly, by reaching out to public opinion both in Israel and the PA, helping to explain the Arab Initiative, stressing that it is a beginning rather than an end in itself, and helping to bridge the gaps in knowledge and perception across the Palestinian and Israeli divide.

It is time to discuss the thorniest final status issues and overcome the taboos. In order to be effective, the new envoy will require a broader and stronger mandate than his current one and HMG support to chart a new path, a new approach, severing from past policies, which led nowhere.

17 July 2007
