The Middle East: Time for New Realism
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See Appendix 1.

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Evidence is published online at http://www.parliament.uk/power-in-middle-east and available for inspection at the Parliamentary Archives (020 7129 3074).

Q in footnotes refers to a question in oral evidence.
SUMMARY

“The Middle East constitutes the greatest challenge to policy-makers of any region in the world”.1

The Middle East and North Africa (MENA) region is undergoing tectonic shifts. Technology has connected, empowered and influenced a new generation of young people, who are questioning political authority with new intensity. The outcomes of the Arab Spring mostly disappointed the world and its policymakers, and in some instances it surprised and wrong-footed them, in Britain and elsewhere. The region is violent; disfigured by inter- and intra-state conflict and by sectarian divisions. Power has been fragmented. Non-state actors, who are active in the region, are both a symptom of state weakness and amplify the threats to states. The economic bedrock of the region—exports of hydrocarbons—is under threat.

Surveying the region, in the throes of historic turmoil and facing massive challenges, we are clear that Britain must continue to engage. The UK has critical interests in the region, both economic and security. Moreover, what happens in the Middle East “does not stay in the Middle East”.2 Refugees and terrorism are consequences of the unrest and insecurity of the region.

British policy as it stands has not always adjusted to new conditions: dilemmas abound and we find there are inconsistencies, half-hearted attempts and sometimes neglect. The UK’s engagement should be sustained and developed, but based on substantially revised assumptions from those that have guided British policy, some of them for the last century. British engagement must also be modest and realistic: the UK does “not have a moral obligation to do what we cannot do”.3

In sum, we see Britain’s emerging role in the new conditions now prevailing as being governed by the following considerations:

- Britain cannot remain aloof or walk away from the chaos and instability, hard though it is to identify solutions. The ugly dilemmas posed by the region must be faced.
- Close co-operation with other powers, and with forces outside normal government reach, will be required at all times. This may mean less reliance on US leadership in the region—depending on whether or not America in practice ‘ pivots’ away from the Middle East—and working more closely with other powers in and outside the region. China has major development and infrastructure ambitions across the Middle East, and Japan is widely involved, although in more low key ways.
- Britain must hone its proverbial skills for understanding and respecting the cultures and customs of the countries, societies and communities of the region, while resisting the impulse towards nation-building or over-zealous instruction as to how peoples should govern themselves or decide internal differences. Approaches to different countries will need to be sensitively tailored.

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2 Q 132 (Haid Haid)
3 Q 196 (Rory Stewart MP)
• Relationships in the region must be rounded and based on wider aspects than trade or security. There must be cultural, social, educational and professional dimensions, with attention paid to such sensitive issues as ease of travel, degree of welcome to students and other aspects which if badly handled can undermine influence and friendship.

• Military intervention, always in coalition with willing partners, may be unavoidable where all diplomacy and discourse is rejected. But it must be highly selective and integrated with, rather than disrupting, broader diplomatic and political goals. The full range of defence and security technologies and capacities must be maintained in readiness for such eventualities.

• However, intellectual, diplomatic and soft power resources must be used to the full. With power decentralised and non-governmental influences increasingly at work in most Middle Eastern societies, Britain will need to update its policy deployment and operating systems to connect with, and influence, the decisive trends of opinion.

• Where governmental routes are blocked, non-governmental links will need to be built and strengthened both to promote social and economic development and buttress local security.

• There must be recognition that the complex challenges of the whole Middle East region cannot be met by one country alone, or by Europe alone, or even by the Western world alone, but that the issues are global, the threats are global and that the full resources of a post-Western world will be needed to turn decline and turmoil into the beginnings of sustainable peace and prosperity. Co-ordination with the resources of Asia, to which the Middle East is increasingly connected, as well as of Russia, must be part of the way forward.

As we publish this report, the UK is in the midst of a general election campaign, as well as negotiating its exit from the EU. Political attention will inevitably be diverted away from the MENA. Neglect and insularity, however, would be ill-advised. The UK must continue to be engaged and active. The UK is undergoing a dramatic shift in its foreign policy stance; it is an opportunity which must be seized to review long-standing positions of successive governments. We hope that our report offers the new UK Government guidance, stimulates a debate on the UK’s policy and supports a fresh and practical approach to the region.
The Middle East: Time for New Realism

CHAPTER 1: INTRODUCTION

Purpose and scope of the report

1. The Middle East and North Africa (MENA) is undergoing a period of revolutionary change. A transformation of power—who wields it, how it is exercised—is catalysing radical changes to the order and organisation of the region. The transition is messy and chaotic. It is challenging to forecast how the region might evolve, but it is likely to be unstable, to involve high levels of violence, and to constitute an ongoing challenge to policy makers. Policy makers will have to be prepared to increasingly take account of power structures, outside the traditional ones of governments.

2. The Middle East is an ambiguous geographical construct. It is, after all, an expanse that spans three continents: Africa, Asia and Europe. There are also elements of shared history, language and religion, none of which entirely encompass the region.

3. Our working definition is that the MENA is a region composed of the states of the Arabian Peninsula (Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, the United Arab Emirates and Yemen); the Levant states of Jordan, Lebanon, Syria and Palestinian Territories; and North Africa (Algeria, Egypt, Libya, Morocco and Tunisia) plus Iran, Israel and Turkey. The organisation of our report has not, however, been geographically bound. There is no one-size-
fits-all approach, rather a range of different experiences and no neat solutions which encompass the whole region. We have considered one overarching theme—the transformation of power, which is disrupting the whole region—and have been directed by the concentration of UK interests. Therefore, the Gulf states play a key role in our report, as does Iran as a resurgent power.

4. As we publish this report, the UK is in the midst of a general election campaign, as well as negotiating its exit from the EU. Political attention will inevitably be diverted away from the MENA, but we urge continued engagement. The UK is facing significant shifts in its foreign policy stance: it is an opportunity which must be seized to review long-standing positions of successive governments. We hope that the evidence we present and the conclusions and recommendations we draw offer the new UK Government guidance, stimulate a debate on current UK policy and support a fresh and practical approach to the region, constructing a policy in British national interests.

Structure of the report

5. Our report first surveys the profoundly transformed context of the region (Chapter 2). It then considers and questions current British policy positions (Chapter 3). We continue to address four transformative shifts in the following chapters: social change, communications and demography (Chapter 4); the role of external powers (Chapter 5); evolution of Middle East states (Chapter 6); and power beyond the state (Chapter 7). We consider trade and economic policy (Chapter 8) and, finally, we look at future British policy requirements and trends (Chapter 9).

Evidence

6. We conducted this inquiry between October 2016 and April 2017, taking evidence from a range of international and UK-based witnesses. We had planned to visit both Riyadh and Tehran but this did not prove possible due to parliamentary business.

7. The Members of the Committee who conducted this inquiry are listed in Appendix 1. We are grateful for the written and oral evidence that was submitted to the inquiry and the witnesses who provided it are listed in Appendix 2. All of the evidence is published online. The Call for Evidence, issued on 17 October 2016, is also published online.

8. We are particularly indebted to the young people—students, activists and analysts—who took part in a roundtable in November 2016. Their evidence, which we found lively and candid, was taken under the Chatham House Rule and can be found in Appendix 3. Not all the young people wished to be named but those that did are listed. Finally, we would also like to thank our Specialist Adviser, Dr Simon Mabon.

9. We make this report to the House for debate.

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CHAPTER 2: PROFOUND DISORDER OF THE NEW MIDDLE EAST

Unravelling of the old Middle East

10. The Middle East is undergoing an “era of transition”: the “post-World War I boundaries and system have crumbled” said Dr Renad Mansour, Asfari Fellow, Middle East and North Africa Programme, Chatham House. Mr Neil Crompton, Director, Middle East and North Africa, Foreign and Commonwealth Office (FCO), said the “convulsions” that flowed from the Arab spring and the “overthrow of many of the old systems have changed the sense of certainty”. Dr Jon B Alterman, Director Middle East Programme, Centre for Strategic and International Studies (US), saw the region as undergoing “wrenching simultaneous disruptions” and was “struck by the ferocity and seeming hopelessness of its conflicts.”

11. Dr Richard Haass, President, Council on Foreign Relations (US), had a “fairly dark view” of the region” with its “conflicts that are within and between states, direct and indirect”, where “[b]oundaries in many cases count for little” and there is “an odd mixture of strong governments and weak governments [and] a “host of non-state actors”. The Middle East encapsulates the broader international fact that power “is more distributed in more hands than at any time in history”.

12. The region is still in the midst of these upheavals. Dr Haass saw “no glimmers of normalisation”, only “prolonged instability of various sorts along various fault lines”.

A transformation of power

13. We introduce the seismic changes shaking the region here and explore them in more detail within the report.

14. There has been a rebalancing between Western powers and states of the Middle East. There has been a shift away from Western states as the global centre of economic power; and as economic power has been shifting to the East, countries in the region have been turning their political attention there as well. The role of shale oil in its energy mix has reduced the importance of the Middle East to the US, a trend which is likely to lead, over time to a concomitant diminution of the protection offered by the Western security umbrella to the region.

15. As Western nations have slowly retreated, their authority and influence in the region has waned. The declining role of external states—particularly the US—has helped usher in, and been amplified by, a more multipolar Middle East. Regional actors have been taking a more active role and jostling for

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6 Q 17 (Renad Mansour)
7 Q 20 (Neil Crompton). The Arab spring wave of revolutionary demonstrations across the region, beginning in Tunisia in 2010, sparked widespread violent and non-violent protests against existing regimes.
9 Q 55 (Richard Haass)
11 Q Q 55, 65 (Richard Haass),
12 Q 30 (Michael Stephens)
power. Of particular concern, a virulent competition for regional hegemony between Saudi Arabia and Iran is destabilising the region. Throughout the region political conflicts are being conducted under the auspices of sectarian concerns, with the potential to trigger civil wars with religious dimensions.

16. At the same time, the share of global power held by states is shrinking. Dr Haass noted that:

“Decision-making has come to be more decentralised. Globalization, with its vast, fast flows of just about anything and everything real and imaginable across borders, is a reality that governments often cannot monitor, much less manage … The result is a world in which centrifugal forces are gaining the upper hand”.

17. The eroding of traditional state borders, drawn a century ago, has fractured the Middle East into semi-autonomous zones and powerful provinces. The centrifugal tendencies and the weakening of state structures has given rise to new non-state actors. The dispersal of power into non-state hands has created a pattern of power and influence which is both complex and controversial.

18. Non-state actors can be both negative and irredeemably disruptive such as terrorist groups, most notably Al-Qaeda and Da’esh, and they can also be positive—such as civil society. There are also sub-state actors, who Dr Mansour explained were groups trying to “institute governments”, working within states—”they are local and trying to develop states”. The most prominent examples are the Kurds in both Syria and Iraq. Groups such as Hezbollah and Hamas are non-state actors that have transitioned into either sub-state actors or even become part of legitimate state structures.

19. Across all parties, there is the powerful popularising influence of communication and political interaction, driven by the expansion of technology and the mass move online on a scale never before known. New media and technology fusing with a rising young generation have been both triggering and enabling social change.

20. The MENA is witnessing a youth boom. In most countries in the MENA, young people (15–24 years old) make up more than a quarter of the population. In some countries, the numbers are much larger: 70% of the Jordanian population are under the age of 30 for instance. A new generation of young people, the majority of whom are excluded from formal political processes, are now better informed and connected by technology to their peers within their own countries, the region and internationally. The democratisation of information has created a more activist public, who feel empowered and prepared to question, with new intensity, the traditional social contracts and to demand more accountability.

21. Furthermore, they are drawn, as is everyone, into the world of networks, where policies and priorities are formed around different relationships at all levels, including the international level, and changed by connections and information flows on a scale unparalleled in human experience.

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14 Q 17 (Renad Mansour)
22. The new tools of technology and connection have also had darker implications. They have empowered Da’esh, whose use and abuse of the internet is profoundly troubling. Authoritarian regimes have responded adroitly too, exploiting technology to extend their surveillance and suppress disagreement.

**Enduring challenges**

23. Some of the more depressing facets of the region remain stubbornly resistant to change. Underneath the revolutionary macro-political transformations, the economic and social woes of the region continue. The “underlying causes” of the Arab spring, said Mr Crompton, including “the sense of economic disempowerment” among young people “have not really been addressed by any of the governments in the region”.

24. The US shale revolution and other supply shocks, explained Dr Bassam Fattouh, Director, Oxford Institute for Energy Studies, has “had the effect of reducing the oil price and lowering oil revenues for key Middle East oil producers”. As oil revenues fall the oil producing states, long accustomed to unlimited wealth, have had to review their domestic mind-sets and their future sources of economic wealth, in order to support growing younger populations. They are now contemplating a future in which world oil and gas supplies are likely to keep prices subdued, while demand growth for hydrocarbons is curbed by increasing energy efficiency worldwide, plus competitive renewable alternatives like solar and wind energy. Furthermore, plentiful supplies of shale oil and gas are likely to limit any further rise in the oil price.

25. Widening gaps of wealth are present within the borders and between countries of the region. According to a 2014 report by the Institute of International Finance, foreign assets of the Gulf Cooperation Council (GCC) rose to $2.27 trillion at the end of 2014. This compares to a decline of foreign assets of Egypt, Syria, Jordan, Lebanon, Tunisia and Morocco to a deficit of $46.7 billion at the same time. Privately-held liquid wealth in the GCC has grown from $1.1 trillion (2010) to $2.2 trillion (2014). This is not merely an economic question but essential to understanding the fertile ground for the growth of unrest and sectarianism.

26. The volatility of the politics, and the sense of existential crises permeating the states of the region, constitute a serious challenge to the ability and willingness of states to undertake reforms. In the period immediately ahead, countries in the MENA will find it difficult to break out of the cycle of political patronage, religious tension and authoritarianism. Social, environmental and economic issues will continue to threaten the region’s stability, including

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16 Q 20 (Neil Crompton)
17 Written evidence from Bassam Fattouh (MID0011)
18 The political and economic alliance of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates established in 1981.
an under-employed young population, a decline in revenues from natural energy resources and the effects of climate change.

27. Religious and sectarian differences, incited and exploited by states of the region, often with violent ramifications, will almost certainly continue to be key characteristics of the landscape. There is a risk that the political and religious dimensions of the competition between Saudi Arabia (Sunni) and Iran (Shia) have already spilt over into a full religious civil war, beyond the control of the states. There are tensions within the Sunni Islam camp, between the extreme form of Salafi Islam, represented by Da'esh and al-Qaeda, and the rest of the Sunni schools of Islam.

28. The ongoing conflicts in Syria, Iraq, Libya and Yemen have resulted in the massive internal displacement of populations in the Arab world. In the aftermath of the overthrow of Saddam Hussain in 2003, four million Iraqis fled to other parts of the country and 2.6 million of them remain displaced. Others left for Jordan and Syria. On 30 March 2017, Filippo Grandi, the United Nations High Commissioner for Refugees (UNHCR), announced that the number of Syrians who had fled their country in response to the civil war had reached 5 million. These numbers are putting an enormous pressure on neighbouring countries, who have borne the lion’s share of the responsibility of hosting refugees: Turkey (3 million); Lebanon (1.5 million) and Jordan (650,000).  

29. Traditional patterns of hierarchy and power have been challenged throughout the Middle East, leaving a turbulent scene which has failed to meet the expectations and hopes of the Arab spring but is suffering from the aftershocks from that political upheaval.

30. The new Middle East is likely to remain unstable and chaotic with its future evolution uncertain. Surveying the immense challenges of the region, while it is clear that they can be in some degree influenced, the prospect for resolving them are remote.

Contours of a British policy

31. As we survey the region—in the throes of historic turmoil, with a competition for regional hegemony between Saudi Arabia and Iran, which in some instances is taking the form of a Sunni-Shia religious civil war, reflected in the continued stalemate in Syria with its concomitant humanitarian crisis and threats to national boundaries drawn a century ago—two things remain clear to us.

32. First, the UK must continue to engage but on a different basis from the past. The UK as a member of the Permanent Five (P5) of the United Nations Security Council (UNSC) has a particular responsibility for peace and security. The UK remains vulnerable to interruptions in the supply of oil and gas and to migratory flows. Humanitarian obligations also call on the UK to act. Moreover, in the Middle East, there is a cost to inaction. In this “world of bad options”, as Dr Haass pointed out, “not acting can be every bit as consequential … as acting”. Mr Paul Danahar, former BBC Middle East correspondent, warned that in this region “things come back and bite you if you walk away”. 

21 ‘Refugees and internally-displaced people in the Arab World’, The Arab Digest, 5 April 2017
22 Q 62 (Richard Haass)
23 Q 69 (Paul Danahar)
33. Second, British Government engagement must be realistic and in line with its capacities. There are limits to what can seriously be sought by and legitimately asked of the UK. A distinction must be made between what the UK can do and what it should do. As Mr Rory Stewart OBE MP, Minister of State, Department for International Development (DfID) said, the UK does not have a “moral obligation to do what we cannot do”.24

34. The UK needs a renewed approach to the region, one more responsive to the shifts and changes, which questions the assumptions that have guided British policy for the last century. As the UK enters a new post-EU era, it is timely for the UK to review some long-standing premises and attitudes.

35. The strategic importance of the Middle East region to the West, traditionally centred, in the earlier part of the century, around oil and trade routes to India and the Orient, has now given way to new and different concerns, more connected with global security threats, including from migration, and the contagions of terrorism and sectarian violence.

36. Overall, the new Middle East requires a new mind-set in policy circles. First, it should no longer be seen as an area to exert power in the name of traditional interests. Second, it is not an area where the dependence on American predominance can any longer be assumed. Third, it is no longer a region of purely Western concern. The concerns are global; Russia has returned to the region and China’s involvement is growing.

37. In this continuing period of turmoil and upheaval, the UK can do little to shape the region on its own. British policy, ideally, must still be to foster and pursue its national interests, but also to contain the threat of state conflict, and encourage stability in the region while supporting democratic institutions where they emerge. We consider, in this report, what such a policy might entail, and how to give it shape and momentum.
CHAPTER 3: CURRENT POLICY AND CURRENT ILLUSIONS

38. In this Chapter, we assess current British policy since the events known as the Arab spring, where hopes have been largely confounded, the confusion over Syria, sales of arms and the repercussions of Britain’s exit from the EU (Brexit). We begin by examining British interests in the region.

British interests in the Middle East

39. The Middle East matters for British security and commercial interests. For Mr Crompton, the UK’s “national security interests draw us towards more engagement … as do our commercial interests”.

40. The region’s insecurity reverberates in the UK. According to the UN’s Arab Human Development Report 2016, the Middle East is home to only 5% of the world’s population but, in 2014, accounted for 45% of the world’s terrorist attacks, 68.5% of its battle-related deaths and 57.5% of its refugees. Moreover, as Mr Haid Haid, Associate Fellow, Chatham House, put it: “what happens in the Middle East does not stay in the Middle East”.

41. The terrorist threat that has emanated from the region has been the key recent domestic security priority. Since 2011, Mr Crompton explained, the “global centre of Islamic jihad” has shifted to the Middle East with over “800 Britons who have gone to fight”. The ability of Da’esh to export its terrorism to Europe, and to inspire terrorist attacks was displayed by the events, among others, in Paris (November 2015), Brussels (March 2016), Nice (July 2016) and London (March 2017). Refugees are one of the more pressing security and humanitarian crises facing Europe. Ongoing conflicts in Syria, Iraq and Yemen, as well as economic hardship, has driven large-scale displacement of refugees seeking safety in Europe. According to UNHCR, in 2015 and the first months of 2016, almost 1.2 million refugees and migrants reached European shores.

42. Energy supplies and power sources are undergoing extensive upheaval with the use of hydrocarbons being questioned. As the oil market is global, and as the gas market is becoming so, its stability has a direct impact on global economic prosperity and growth. The interest for the UK in Middle East energy remains in securing stability of global oil supplies through the Gulf and securing its own liquefied natural gas (LNG) supplies.

43. Dr Haass said that the US—and we add the UK—has “a stake in the economic vitality of the world which continues to be heavily reliant on Middle East oil”. As Dr Fattouh explained, in 2015, the Middle East accounted “for more than 47% of the world’s proved oil reserves” and produced around a third of the world’s total production. Spare capacity has, until recently, been concentrated in Saudi Arabia, allowing the country to act as a crucial swing producer able to stabilise prices and fill the gap at times of supply.

25 Q 20 (Neil Crompton)
27 Q 132 (Haid Haid)
28 Q 20 (Neil Crompton)
30 Q 55 (Richard Haass)
disruptions. As Dr Fattouh said, disruptive events in the region, leading to disruptions to oil supplies could “result in higher and more volatile global oil prices and a scramble for barrels by importing countries, with potential adverse consequences on the global economy and consumer welfare”.

44. Mr Stewart Williams, Vice-President, Wood Mackenzie, explained that the UK’s reliance on Middle East natural gas was likely to grow. “About half of our gas is now imported”, of which “nearly a third comes from Qatari” sources, he explained. The UK, he said, will become “more and more reliant” on LNG imports.

45. British commercial interests in the region are sizeable. Mr Abdeslam El-Idrissi, Director of Trade Services, Arab British Chamber of Commerce informed us that in 2015, trade in goods and services between the UK and the Arab world “clocked in at £18.9 billion” with the GCC countries accounting for about £16 billion. In 2015, Mr El-Idrissi told us, the UK exported more goods and services to the Arab world than it did to China—“the difference was over £1 billion”—and more to the Arab World than to India and Brazil combined. Dr Carole Nakhle, Energy Economist, Crystol Energy, told us that Saudi Arabia and the United Arab Emirates (UAE) come within the UK’s top 15 trade partners. Mr Crompton noted that the Gulf countries were the UK’s “sixth largest market in the world”.

31 Written evidence from Bassam Fattouh (MID0011)
32 Written evidence from Bassam Fattouh (MID0011)
33 Q 150 (Stewart Williams)
34 Q 165 (Abdeslam El-Idrissi)
35 Q 150 (Carole Nakhle)
36 Q 20 (Neil Crompton)
**Figure 2: The UK’s key economic partners in the Middle East**

**Saudi Arabia**
- **Total Exports from UK 2015**: £6.6 billion
- **Total Imports into UK 2015**: £2.3 billion

Saudi Arabia is the largest market in the region with investments being made in new transport systems and social and physical infrastructure, particularly in healthcare and education. Over 6,000 UK companies actively export to Saudi Arabia, and the UK is the second largest cumulative investor in the country after the US.

**UAE**
- **Total Exports from UK 2015**: £8.62 billion
- **Total Imports into UK 2015**: £3.95 billion

The United Arab Emirates (UAE) is the UK’s largest market in MENA, and the 12th biggest globally. Bilateral trade in goods and services reached £12.95 billion in 2014.

Many British companies have a long and successful history of working in the UAE—these include global companies, large engineering companies and many others.

Around 120,000 British nationals are resident in the UAE.

**Qatar**
- **Total Exports from UK 2015**: £2.6 billion
- **Total Imports into UK 2015**: £2.7 billion

Qatar is the UK’s third largest export market in the Middle East and North Africa region. Qatar has embarked on one of the largest and most ambitious infrastructure programmes in the world, with projected spend of more than £170 billion over the next 10 years.

Qatar has gone from being relatively unknown to being firmly on the world map as a leading global gas supplier, as the hub for Al Jazeera, as an active player on foreign policy issues, and most recently as the country which will host the 2022 World Cup.

**Kuwait**
- **Total Exports from UK 2015**: £1.4 billion
- **Total Imports into UK 2015**: £0.8 billion

Kuwait is one of the UK’s largest trading partners in the Gulf Cooperation Council countries, and one of the UK’s largest export partners. The government of Kuwait is continuing its drive to encourage private sector investments, having recently announced plans to invite proposals on several large-scale, public-private partnership (PPP) projects.

46. Above all, the Middle East dominates the UK defence export market and is the largest regional importer of British defence services and equipment. In 2015, the UK’s defence exports to the Middle East constituted over 60% of the UK’s £7.7 billion defence export market. The Gulf, in particular, remains an important regional market.37

**Figure 3: Estimated total UK defence exports (based on orders and contracts signed) 2006–2015**

![Graph showing defence exports by region]

47. As well as trade, there is the major role played by capital investment from the region, particularly the Gulf, into the British economy. Middle East investment in the UK is very significant, for example, cumulative investment by the Qatari state in the UK is £30 billion including investments in Harrods, The Shard, Sainsbury’s, BAA and the London Stock Exchange to name but a few.38 Mr Crompton pointed to the Shard and the Emirates Stadium as examples which demonstrated that London had been a “hugely attractive investment destination … for the last 50 years”.39 Since the UK relies on capital inflows to counterbalance its large and persistent trade deficit, investment flows from the region are a key prop of Britain’s continued economic health.

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39 **Q 27** (Neil Crompton)
48. Finally, the UK has humanitarian obligations: there has been a significant human cost to the violence of the region; rising numbers of refugees and internally displaced persons; and sectarian conflicts have resulted in the perpetration of violence against minorities, such as the Yazidis and especially Christians. The recent attacks against Coptic Christians in Egypt (Palm Sunday) are part of a string of attacks against Christians in the region. The *Financial Times* notes that over the “past century, their share of the population in the near east has dropped by two-thirds to less than 5%”, while much of the outflow has been migration:

“Iraq, the land of Abraham, was all but emptied of Christians after the US-led invasion in 2003. Assyrian Christians, painted as complicit in the subsequent occupation and caught in the crossfire of the resulting ethno-sectarian war between Shia and Sunni Muslims, saw their numbers plummet from about 1.2m to around 300,000. When the Iraqi precursor of Isis used Syria’s similarly sectarian conflict to regroup and storm back across the border to capture Mosul in June 2014, this historic city in north Iraq lost its last Christians—about 35,000—as the jihadis daubed the letter N for Nazarenes on Christian homes in a Nazi-like purge”.40

49. **The risks stemming from the Middle East to our own commercial interests and security necessitate the UK’s continued engagement. The UK does not have the luxury, as the US does, of reducing its exposure to, or engagement with, this neighbouring region.**

50. **The UK should be active in insisting on the human rights obligations of countries in the MENA region to protect the rights of Christians and other minorities.**

**Disarray of British policy**

51. There are contradictions present in British policy. For Ms Rebecca Crozier, Middle East and North Africa Programme Manager, International Alert, it was “not always clear that the UK has a clear strategic plan for the region”. International agencies could sometimes feel that they were “working in the dark”.41 Mr Tim Holmes, Regional Director, Middle East, Oxfam, agreed that there can be “multiple UK Government objectives that do not always move in the same direction”.42

52. Mr Crompton and Dr Mansour were more sympathetic. The challenge to being strategic, Mr Crompton explained, was that “inevitably” the UK was “trying to deal with the crises of the day”.43 “Transitions are messy” said Dr Mansour, making it “really hard to assert some sort of strategic foresight”.44

53. We consider three key contradictions in UK policy: the response to the Arab spring; the UK’s position on President Bashar al-Assad of Syria; and arms sales.

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40 ‘A bloody Easter for Christians in the Middle East’, *Financial Times*, 14 April 2017: [https://www.ft.com/content/b03abe6b-205f-11e7-b7d3-163f5a7f229c](https://www.ft.com/content/b03abe6b-205f-11e7-b7d3-163f5a7f229c) [accessed 18 April 2017]

41 Q 102 (Rebecca Crozier)

42 Q 102 (Tim Holmes)

43 Q 20 (Neil Crompton)

44 Q 17 (Renad Mansour)
Response to the Arab spring

54. It is necessary, said Mr Crompton, to “promote the sort of sustainable political and economic reform in the region that will prevent a repeat of the events of 2011”. But behind the rhetoric, in its response to the Arab spring, the UK has pursued an inconsistent and varied approach.

Box 1: The Dilemma of Egypt

Egypt encapsulates the difficulty of reconciling the UK’s policies of democracy promotion and allying with authoritarian strong-men. British (and US) policy towards Egypt has vacillated, first welcoming the fall of President Hosni Mubarak (February 2011) and supporting the democratic aspirations of the Egyptian people, grudgingly accepting the election of the Muslim Brotherhood (June 2012), watching, unable to exert influence as the Brotherhood moved in an increasingly undemocratic direction, and finally, accepting the seizure of power by the military leader Abdel Fattah El-Sisi and the imprisonment of the former President Mohammed Morsi (July 2013).

In Egypt, according to Dr Christopher Davidson, Reader in Middle East Politics, Durham University, the UK supported “both waves of counter-revolution”: First, the Muslim Brotherhood and then “the coming into the open … of the military deep state”.

President Sisi has taken a firm line against political opponents as well as clamping down on the media, and has not yet been able to deliver economic security to his people. He reduced some subsidies on fuel and electricity but few other steps of reform have been taken. The regime remains propped up by foreign subsidies, the US and Gulf partners, which have valued Sunni Egypt as a counterbalance to Shiite Iran and as a bolster of security. The Saudis have their own challenge to pursue this policy due to reduced oil revenues.

Egypt, said the Minister, Mr Stewart, raises the question that “almost regardless of what we think of these governments, what can we do about them?”

Economic conditions are worsening, tourism has declined due to terrorist attacks and unemployment amongst young people is at over 30%. There are some economic hopes of the revenues from the offshore gas supply fields in the Eastern Mediterranean. But the full development of these lies in the future.

Egypt’s precarious economic context has been fuelling the embryonic growth of insurgencies. Northern Sinai, a marginalised and impoverished part of the country, has witnessed the growth of Wilayat Sinai, a local insurgency with economic as well as ideological roots, and affiliated to Da’esh. The response by the Sisi government—extra-judicial killing and repression—are only fuelling further discontent.

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45 Q 20 (Neil Crompton)
46 Q 30 (Christopher Davidson)
48 Q 202 (Rory Stewart MP)
50 ‘Egypt: Terrorism and now civil disobedience in northern Sinai’, The Arab Digest, February 2017
55. There are two points of view about the UK’s approach. Critics argue that the UK's policy of aligning with existing elites has discouraged the prospects for reform. The organisation Americans for Democracy and Human Rights in Bahrain (ADHRB) said the UK’s continued military support for some Gulf state allies has signalled that “human rights violations will not affect those security arrangements”. This has “empowered them to continue pursuing repressive strategies”. ADHRB said the UK had “prioritised a narrow conception of stability” that has threatened the “long-term stability of the region”.\(^{51}\) Dr Davidson noted that Britain played a “supportive role” in Bahrain “ensuring the longevity of that regime despite significant popular protests”.\(^{52}\)

56. The UN Arab Human Development Report 2016 also judges that events since 2011 have proved that employing a “predominantly security-based approach … without addressing the root causes of discontent may achieve temporary stability and ward off cycles of protest, but does not reduce the possibilities of their recurrence—it may lead to the accumulation of these demands and their re-emergence more violently.”\(^{53}\)

57. Critics argue further that the UK’s current approach has damaged UK standing in the region. Dr Davidson said that the UK’s “supposed support of democracy … would be strongly challenged by many people in many of these states”.\(^{54}\) Mr Antoun Issa, Senior Editor, the Middle East Institute, argued that a “large source of anti-Americanism (and anti-UK sentiment as an extension) stems from a region-wide perception that Western powers underwrite the regional autocratic order”.\(^{55}\) Mr Oliver McTernan, Director, Forward Thinking, told us that the “common accusation” from political and youth organisations was that Western countries “have reverted back to giving interests priority over values”.\(^{56}\) Dr Davidson said images of a British Prime Minister meeting with the king of Saudi Arabia were seen by “average people” as “the old guard still in it together”.\(^{57}\)

58. The counter argument is that sustained British engagement has influenced the positions of these governments. The Secretary of State for International Trade, the Rt Hon Dr Liam Fox MP, made the case with regards to Saudi Arabia:

“The more engaged we are, the better. The alternative, disengagement, would mean that we would not be able to have some of the influence that we seek to bring”.\(^{58}\)

Mr Philip Luther, Middle East and North Africa Research and Advocacy Director, Amnesty International (AI), had cautious positive words about UK involvement in Bahrain: the UK Government has been involved in financing

\(^{51}\) Written evidence from Americans for Democracy & Human Rights in Bahrain (ADHRB) (MID0007)
\(^{52}\) Q 30 (Christopher Davidson)
\(^{54}\) Q 30 (Christopher Davidson)
\(^{55}\) Written evidence from Antoun Issa (MID0002)
\(^{56}\) Q 89 (Oliver McTernan)
\(^{57}\) Q 33 (Christopher Davidson)
\(^{58}\) Q 212 (Rt Hon Liam Fox MP)
the training of human rights mechanisms, which “is a good thing, and we think the UK are playing an important role”. However, the repression that is simultaneously taking place threatens to undermine that progress, he noted.\(^59\) Dr Al-Hamli also advocated patience and continued engagement: “Open political discussion is happening in Bahrain and Kuwait. People in the region are moving forward … but this takes time. Everything cannot change all of a sudden”\(^60\)

59. The UK has been muddled in its response to the Arab Spring. In the Gulf states, it has continued to favour the stability offered by hereditary family rulers, and undergirded a system of authoritarianism. By contrast, in Egypt and in Syria, British policy has, at times, sided with the revolutionary movements against the old regimes.

60. As political authority is in turmoil in the Middle East, the UK has a practical interest in the stability of key states with whom the UK has shared interests, including counter-terrorism and the security of oil supplies through the Gulf.

61. Whether the UK’s engagement has been in the best interests of those countries depends on a fine judgement of whether it is the conservation of power, or reform, or a mixture of both, which provides the most stability and least dangerous future.

Syria: the position of President Bashar al-Assad

62. International policy on Syria, since the start of the civil war in 2011, has been characterised by a range of debates about how to respond to President Bashar al-Assad’s repression of what began as nonviolent protests, about the wisdom of arming or training the opposition fighters and the consequences of acting versus not acting, to name but three. The UK’s (and the international community’s) position on President Bashar al-Assad’s role in the future of Syria is the most recent example of confusion.

63. The Foreign Secretary, the Rt Hon Boris Johnson MP, speaking to us in January 2017, set out a position that oscillated during the course of one evidence session. He dismissed the possibility of a deal with the Russians and President Assad. Such a position would be seen “as a great betrayal of the people of Syria who have opposed Assad. It would be seen as a betrayal of the moderate armed opposition that we have supported and it would have grave repercussions”.\(^61\)

64. The Foreign Secretary reflected further that the UK had “been wedded for a long time to the mantra that Assad must go”, but without being “able at any stage to make that happen”.\(^62\) He also conceded while it has been the “long-standing position of the Government that Assad must go”, the UK has to face the “reality that things have changed” and the UK had “to think about what is best for the Syrian people”.\(^63\) The “horror of the dilemma” is that it is by no means clear that “Syria would be in a better place” with the end of the Assad regime, he feared.\(^64\)

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59 Q 101 (Philip Luther)
60 Q 76 (Ahmed Al-Hamli)
61 Q 143 (Rt Hon Boris Johnson MP)
62 Q 144 (Rt Hon Boris Johnson MP)
63 Q 147 (Rt Hon Boris Johnson MP)
64 Q 144 (Rt Hon Boris Johnson MP)
65. The Foreign Secretary’s comments point to the unpalatable choices facing the UK and the stalled progress of the current approach. It is necessary, he said, to “be realistic about the way the landscape has changed” and to “think afresh about how we handle this”. There are, as the Foreign Secretary candidly recognises, “no good options”.

66. On Tuesday 4 April, a chemical attack struck the town of Khan Sheikhoun in the Idlib province, an area controlled by an alliance of rebel groups. The World Health Organisation said that victims, the near 100 fatalities, displayed symptoms of a nerve agent. On Thursday 6 April, the US administration launched a cruise missile attack which hit the air base in Syria, from which it has been alleged the chemical attack was launched. There has been broad international support for the US retaliation, except for the Russians who insist that the attack was not launched by the Assad regime. It remains unclear if the US administration, or international community, is willing to take any further steps to facilitate the removal of President Assad.

67. We endorse the military action by the US as justified and proportionate given that the Syrian regime has reneged on its obligations under the Chemical Weapons Convention, and given the evident Russian determination to block any action in the UN Security Council.

68. British confusion and disarray in Syria is a reflection of the contradictions in international policy on President Bashar al-Assad, which must be rethought. The objective of displacing Assad, as a prerequisite of any settlement, with the current means and policy, has proved unachievable. Despite the chemical attack and the recent escalation of military conflict Assad, with Russian support, remains in power.

69. There are no good options available in Syria but the recent chemical attack, the urgency of the humanitarian crisis, with the potential to destabilise the EU and countries of the Middle East with refugees, requires the UK, and international community, to redouble its efforts to achieve a negotiated solution.

Arms sales and military involvement

70. We consider British military involvement in the Middle East in Chapter 9 but here we focus on the question of arms sales. Arms sales, which are a considerable commercial interest, a significant source of jobs in the UK, and a plank of British foreign policy in the Middle East, can cut across our wider interests in stability, our humanitarian responsibilities and our obligations under international law. Those conflicts of interests have become glaring in the case of the war waged in Yemen.

71. The conflict in Yemen escalated in March 2015 when a Saudi-led coalition intervened on behalf of the internationally recognised government of President Abdrabbuh Mansour Hadi, against the Houthi rebels, who are aligned with the former President Ali Abdullah Saleh and supported (weapons, money and training) by the Iranians. The war has been conducted by both sides—the Saudi-led coalition and the Houthi rebels—with serious violations of International Humanitarian Law (IHL) documented by the UN and Non-

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65 Q 144 (Rt Hon Boris Johnson MP)
Governmental Organisations (NGOs).67 So far, 10,000 civilians have died as a result of the hostilities in Yemen.68 A report prepared for the UN Security Council (UNSC) by a Panel of Experts on Yemen (January 2016) found that 60% of civilian deaths and injuries were caused by air-launched explosive weapons—in other words, highly likely by the Saudi-led coalition. The Panel documented that:

“the coalition had conducted air strikes targeting civilians and civilian objects, in violation of international humanitarian law, including camps for internally displaced persons and refugees; civilian gatherings, including weddings; civilian vehicles, including buses; civilian residential areas; medical facilities; schools; mosques; markets, factories and food storage warehouses”.69

72. Since the war in Yemen began in April 2015 and December 2015, UK arms exports licences to Saudi Arabia exceeded £1.7 billion in value for combat aircraft, and over £1 billion for air-delivered bombs.70 In the first year of the Yemen campaign (March 2015–March 2016), the UK granted export licences for around £3.3 billion of arms to Saudi Arabia.71

73. At the start of the Saudi-led coalition’s military intervention in Yemen, the then Foreign Secretary, the Rt Hon Philip Hammond MP, giving evidence to House of Commons Committees, set out specific areas of UK support. The UK was supporting the “Saudi air force” with “enhanced support—spare parts, maintenance, technical advice [and] resupply”. The UK would, he said, “support the Saudis in every practical way short of engaging in combat”. Further support was detailed to the Commons by the FCO, which explained that the UK had also accelerated the delivery of Paveway laser-guided bombs; increased training in targeting and weapon use; and provided liaison officers in Saudi headquarters.72

74. UK arms exports are covered by the obligations within the Arms Trade Treaty (ATT) which entered into force in December 2014, the EU Common Position on Arms Exports (December 2008) and the Consolidated EU and National Arms Export Licensing Criteria (Consolidated Criteria). Articles 6 and 7 of the ATT and Criteria 2 and 6 of the Consolidated Criteria require

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that export licences are not granted where there is a clear risk that items may be used in the commission of a serious violation of IHL or internal repression. The UK is also a party to the Convention on Cluster Munitions (May 2008), which prohibits the use, development or transfer of cluster munitions, and these prohibitions are contained in UK domestic law. We note the UK sold 500 BL755 cluster munitions under a government-to-government agreement signed in 1986, with a final delivery made in 1989.

75. Witnesses criticised the UK’s arms licensing policy to Saudi Arabia questioning its compatibility with international obligations, and its lack of strategic acuity.

76. Mr Luther posed a clear test: “there can be arms sales to the region” but the “big issue is where international obligations are violated”, which Amnesty International believed to be the case. Mr Holmes agreed that the UK “signed up to the arms trade treaty so they need to comply with its terms”. The UK, said Mr Holmes, was one of the governments driving the ATT but “when they are put to the test they crumble”, which in turn sets a “precedent”.

77. Witnesses pointed to the implications for the UK’s own development priorities. ADHRB believed that UK support for the coalitions had “likely extended the conflict and deepened UK complicity in a humanitarian catastrophe”. Mr Holmes said the UK should consider when “activity against civilians is contributing to violent extremism and future fragility”.

78. The conflict in Yemen has jeopardised UK development work in the region. The current conflict forced the Department for International Development (DFID) to suspend its development programme in Yemen—£247.8 million in aid between 2011 and 2014. Two years after the intervention, the UN has warned that Yemen is on the brink of a famine, with children paying the heaviest price. The collapse of the state has given Da’esh and Al-Qaeda in the Arabian Peninsula greater scope in which to operate. The International Crisis Group has described them as the “biggest winners of the failed political transition and civil war”.

79. There could be possible legal implications of the UK’s arms licensing policy. Mr Luther said there was “overwhelming evidence” that the Saudi-
led coalition has violated international humanitarian law, and “committed, in some cases, what could be war crimes”. The UK was at risk of “being complicit in war crimes”. Mr Holmes believed it “particularly damaging” when the UK is “seen as putting commercial interests above its international legal obligations”.

80. There have been many calls for the UK to suspend arms sales to Saudi Arabia. A joint report by the House of Commons Business, Innovation and Skills and International Development Committees, published in September 2016, recommended that, in order to guard against the risk that UK arms sales might be used in contravention of international law, the Government should “suspend sales of arms which could be used in Yemen to Saudi Arabia, until the independent, UN-led investigation has come to its conclusions and then review the situation again”.

81. ADHRB, in its evidence to our inquiry, agreed that the UK should “suspend its arms sales to the kingdom until the Saudi government takes documented steps towards improving its military conduct”.85

82. The Government has not yielded, expressing confidence in the robustness of its own processes and policies, pointing to three in particular. First, the UK’s own internal procedures for arms licensing. The Rt Hon Baroness Anelay of St Johns DBE, Minister of State for the Commonwealth and the UN, FCO, pointed to the Consolidated Criteria which are applied to every single application of the arms export licence. Mr Crompton had a “team which works almost 24/7 analysing incidents of concern”, reporting to ministers who “scrutinise them through a formal review process”. So far, he said “ministers have concluded that we are in compliance.”

83. The Foreign Secretary explained the UK’s risk-based approach: “there has to be a clear risk that there will be a serious breach of international humanitarian law”. The Government had “received sufficient assurances from the Saudis about the incidents that have taken place so far to think that we are still narrowly on the right side of that threshold”.88

(The question of the UK’s adherence to the procedures of the Consolidated Criteria is being addressed in a judicial review, initiated by the Campaign against the Arms Trade, which was heard in early February. The judgement had not been delivered at the time of going to press.)

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80 Q 104 (Philip Luther)
81 Q 104 (Tim Holmes)
83 Written evidence from Americans for Democracy & Human Rights in Bahrain (ADHRB) (MID0007).
84 Other countries have taken that step. The US, under the Obama administration, suspended some arms sales—cluster bombs and precision guided munitions—although the Trump administration has since retracted that decision. In 2016, the Netherlands suspended arms sales to Saudi Arabia.
85 Q 24 (Neil Crompton)
86 HL Deb, 13 October 2016, col 2009
87 Q 146 (Rt Hon Boris Johnson MP)
Second, the UK, the Government informed us, was engaging in bilateral diplomacy. Lady Anelay explained to the House that ministers were holding meetings with the Saudi and Yemeni leaders to express their concerns. Mr Crompton said the UK had been involved “in a very intense dialogue with the Saudis and other members of the coalition”. Third, the UK was acting to improve the adherence of Saudi Arabia and its coalition partners to international law. The UK, Mr Crompton told us, was providing “enormous levels of training” which included ensuring that “aspects of international humanitarian law are probably factored into the targeting processes” and that there are “processes for investigating accidents”. There have been, Mr Crompton said, “big improvements in those areas”. It was the UK’s relationship with the Saudis, said Mr Tobias Ellwood MP, Minister for the Middle East and North Africa, FCO which had allowed the UK to “nurture them” into to creating an “analysis team to scrutinise what is actually happening”.

The UK’s sales of arms, which are being used against civilians in Yemen, are generating a considerable degree of public concern. The UK’s position of relying on assurances by the Saudis and Saudi-led review processes is not an adequate way of implementing the obligations for a risk-based assessment set out in the Arms Trade Treaty.

We recognise the importance of arms sales to the UK economy and the Gulf. Arms sales, however, must take place with regard for international obligations.

The Government must demonstrate that its private diplomacy is working. If not, it should speak out clearly at the UN, within the Human Rights Council, condemning violations, intentional or not, in clear terms. Finally, as a last resort, we recommend that the UK should send a political signal, for instance, by suspending some key export licences, where there is a risk that they could be used in violation of international humanitarian law in Yemen.

More broadly, UK sales of arms to countries of the region that might use those arms to commit human rights violations is a troubling aspect of British policy. After Brexit, as the Government seeks to deepen its security and trade relations with the Gulf states, the UK’s dependence on arms exports is likely to increase as will the consequences of those sales. The sharpness of these dilemmas will increase pressures for a reconsideration of the way the UK applies its own export guidelines.

As part of its post-Brexit foreign policy, the Government should commit to reviewing how Government departments and ministers meet the criteria for arms exports. Decision-making procedures must be more transparent and demonstrate unequivocal adherence to international law. Such a review would send a clear political signal that UK foreign policy under the new Government will not be business as usual.

90 HL Deb, 13 October 2016, col 2009
91 Q 23 (Neil Crompton)
92 Q 23 (Neil Crompton)
93 Q 193 (Tobias Ellwood MP)
EU dimension and Brexit

91. The most significant factor affecting the development of the UK’s foreign policy has been its decision to leave the EU. We now turn to the consequences for UK policy in the Middle East.

92. Brexit will have a limited impact on bilateral state relations in this region. Sir Derek Plumbly, former British Ambassador to Egypt and Saudi Arabia and former UN Special Co-ordinator for Lebanon, explained that Arab governments “tend instinctively to look beyond the EU to national governments”.94 This is particularly so as the EU is not an effective security actor. Gulf states, said Mr Crompton, are “not particularly interested in the EU”. Their “principal interest is in whether people can help them with their security”.95

93. Brexit has also been welcomed by partners in the region. Mr El-Idrissi informed us that the Prime Minister meeting with GCC ministers in December was “a phenomenal move, and it was agreed that a strategic partnership group would start from that point”.96 The Minister, Mr Stewart, pointed out that the Jordanian ambassador is “very bullish” and “frequently says publicly that he does not think that Britain leaving the European Union will have any impact on Britain’s influence or relationship with Jordan”.97

94. On the other hand, Brexit could weaken the UK’s influence. Ms Jane Kinninmont, Deputy Head, Middle East and North Africa, Chatham House, explained that Gulf countries will see that the “UK needs new friends or renewed relationships with old friends” and consider British policy to be “more malleable and susceptible to influence”.98 A shared EU common position, said Sir Derek Plumbly, “provides you with a certain amount of protection” and the UK could be “more vulnerable to retaliation if the audience do not like what they are hearing”.99

95. There will be virtually no impact on military power projection. The EU does not have its own autonomous military capacity and European member states act via NATO (as in 2011 in Libya) or within international coalitions (e.g. the 2014 Global Coalition against Da’esh which included Belgium, France, Italy, Spain and the UK).

96. Exerting influence on EU Middle East policy will inevitably be a matter of working closely with Paris and Berlin, as well as other European capitals. Mr Daniel Levy, President, US-Middle East Project, explained that the “European centre of gravity” in foreign affairs is France, Germany and the UK.100 The reality, said the Rt Hon Jack Straw, former Foreign Secretary (2001–06) has always been that foreign policy at the EU level requires “France, Germany and the United Kingdom [to] agree to it” and that “will be so in the future.101 The Joint Comprehensive Plan of Agreement (JCPOA) on the Iranian nuclear programme conducted in the format of the E3 (Britain, France and Germany) + 3 (US, China and Russia) illustrates this point.

94 Q 5 (Sir Derek Plumbly)
95 Q 29 (Neil Crompton)
96 Q 167 (Abdeslam El-Idrissi)
97 Q 198 (Rory Stewart MP)
98 Q 46 (Jane Kinninmont)
99 Q 5 (Sir Derek Plumbly)
100 Q 173 (Daniel Levy)
101 Q 108 (Rt Hon Jack Straw)
97. The Quartet on Israel/Palestine does not fit into the same logic. Here the UK is represented by the EU; and following Brexit, the UK will not have a place in the Quartet. At this stage the FCO did “not yet know quite how that will work”. Nevertheless, none of our witnesses were particularly concerned. The Quartet, said Sir Derek Plumbly, had not been very effective to “put it mildly”. Mr Levy was “relatively scathing” about the Quartet, which “has always had a lot more going for it in theory than in practice”.

98. The main consequences of Brexit in the MENA will be in commercial, trade and development policy. The EU, said Sir Derek Plumbly, has “collective leverage” and tools such as “diplomatic outreach, the possibility of sanctions and the ability to give or deny market access.” In areas of development policy, particularly in North Africa, where the EU is a generous actor, the UK will have less leverage. As Mr Crompton acknowledged, the UK funds are “modest compared with the money that the EU spends across North Africa” and the UK’s “ability to leverage that could be less than before”.

99. The UK participates in EU development programmes, administered by the European Commission, via its contributions to the core EU budget. The UK currently provides some 15% of the EU’s Global Europe budget heading, which was nearly €9 billion in 2015. There are further specific programmes, set up for a limited period to deal with a particular crisis or challenge, such as the €3 billion Refugee Facility for Turkey, which are also managed by the European Commission.

100. The UK’s capacity to participate in these development programmes could be affected by Brexit. In areas of EU competence such as development and trade policy, the UK would have “no formal say forming the collective EU position”. The UK would be able to contribute its views but it would not have an official position, unless the necessary arrangements are put in place.

101. The EU’s large aid budget provides economies of scale. The Government’s own Balance of Competences exercise (2013) judged that: “The EU’s global reach is greater than that of any of the Member States acting individually … The EU’s geographical focus for its aid programmes is broadly aligned with that of the UK, particularly with regard to aid to Commonwealth countries, and the EU’s wider geographical coverage means the UK can channel aid through it to reach countries that the UK could not reach alone”.

102. Established in 2002 and consisting of the United Nations, the EU, US and Russia, the Quartet’s primary mandate is to mediate the Middle East Peace Process.

103. Q 29 (Neil Crompton)

104. Q 5 (Sir Derek Plumbly)

105. Q 174 (Daniel Levy)

106. Q 5 (Sir Derek Plumbly)

107. Q 29 (Neil Crompton). We consider a post-Brexit trade strategy for the region in Chapter 8.


109. Q 200 (Rory Stewart MP)


There are, however, disadvantages to channelling funding through the EU. Policy-making at the EU level can sometimes result in compromise positions. Mr Crompton thought Brexit might be “slightly liberating”, in the sense that UK diplomats spent “an awful lot of time negotiating EU positions that we do not always agree with”. The Minister, Mr Stewart, explained that after Brexit the UK would move from a “common EU position towards one in which Britain would determine bilaterally what its interests were … and work out how much money we would wish to put in”.

The UK has been a hinge-power between the EU and US, exerting some influence on both sides, often bringing both closer. Post-Brexit, the UK’s ability to leverage the EU influence on the US, and leverage the US position in the EU, may no longer be there. “It is now more difficult for Britain to have influence in as many places” said Mr Danahar, because previously as a member of the EU “it could be seen to be bringing Europe along”. For Mr Straw the more the UK was able to “develop a common approach with France and Germany, the stronger our voice will be in Washington”. France, in particular, will be one of the UK’s most important allies: France is one of the EU’s most capable military actors; a large contributor to EU’s Common Security and Defence Policy missions; one of the few EU countries, able to act swiftly and decisively and capable of projecting globally (for instance in Mali, 2013); spending close to 2% of its GDP on defence and possessing an extensive diplomatic network in the Middle East and Africa.

The significance of Brexit on the Middle East is, on balance, less than elsewhere. Policy in the region relies on bilateral relationships and security commitments. Nevertheless, the UK will need to work closely with the main European powers in order to craft a policy that covers the entire region, securing UK access to countries where it is not historically represented and continued cooperation with EU development instruments.

After Brexit, ensuring that the UK has strong bilateral relations with key European partners will be critical. France, in particular, as one of Europe’s most effective diplomatic and military powers, and a country with a historic role in the region, is likely to be the UK’s most important partner in the MENA.

In the sphere of development policy, both UK and EU policy could be diminished by Brexit: the EU’s large aid budget and global reach provides the UK with economies of scale, and European Commission programmes will be bereft of one of its largest contributors. There is a mutual benefit to close cooperation. We urge the UK Government to ensure that arrangements are put in place to ensure that the UK and EU continue to work closely on development policy in the MENA.

113 Q 29 (Neil Crompton)
114 Q 200 (Rory Stewart MP)
115 Q 69 (Paul Danahar)
116 Q 96 (Rt Hon Jack Straw)
CHAPTER 4: SOCIAL CHANGE, COMMUNICATIONS AND DEMOGRAPHY

Two notes of optimism

107. Two particular social changes are transforming the region: the predominance of a young generation and the spread of technology, offering two rare notes of optimism, albeit ones with downside risks as well.

Communications revolution

108. Technology, and the internet, have been catalysing a revolution in communication. Mobile phone ownership in the region has surged from below the world average, at 26% in 2005, to almost 108% in 2015, above the world average. Internet use jumped from 8% in 2005 to 37% in 2015, a higher rate than the rest of the developing world and the world average, and representing an increase from 5 million subscriptions in 2000 to 141 million in 2015.117

109. Young people are as connected to information via electronic means as their peers around the world. The 2016 ASDAA Burson-Marsteller Arab Youth Survey reported that 77% of Arab youth (aged 18–24) obtain their news from online sources and social media, compared with only 17% who obtain their news from newspapers. The reach of social media is significant: 62% of young Arabs use WhatsApp—the instant messaging service owned by Facebook—on a daily basis, followed by Facebook (55%), YouTube (33%) and Twitter (28%).118 The young people who participated at our roundtable told us that they moved adroitly between electronic media, sourcing their news online (international websites and blogs) and via new forms of communications (Facebook and Twitter).119

110. Technology has shifted the power balance and influence; it has informed, connected and empowered individuals but it has also reopened the fractures and divisions of the past. The uprisings of the Arab spring were not created by technology, but technology helped them spread; the new modes of communication informed people, coalesced them together and allowed them to make connections within states and across national borders. Mr Issa explained that the “internet revolution … bypassed the walls that Arab governments had used to construct closed societies” and “enabled the region’s inhabitants, fragmented by borders, to connect and cooperate”.120

111. Those “trans-regional youth networks” created during the period of the Arab spring remain active today, Mr Issa added, “manifesting in simultaneous political movements” such as Beirut Madinati in Lebanon, the secular anti-corruption movement in Iraq, the new secular Ma’an parliamentary bloc in Jordan, and similar groups in Tunisia and Egypt.121 Dr Alterman saw a “whole generation of young Arabs who have grown up interconnected with each

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119 See Appendix 3

120 Written evidence from Antoun Issa (MID0003)

121 Written evidence from Antoun Issa (MID0003)
other, interested in innovation and possibility”. There is a “certain dynamism for people with ambition and a certain sense of possibility”. 122 For example, in Saudi Arabia, a young team of engineers and creative professionals have created TalentS, a firm that presents STEM subjects (science, technology, engineering and maths) to young Saudi audiences in an attractive way; and locally driven start-ups like Tahrir Academy in Egypt and Edraak in Jordan provide online learning resources in Arabic to millions of students. 123

112. Unfortunately, repressive governments, as well as terrorist factions, have also harnessed these tools. Technology and the internet have become instruments to discourage communication, and to suppress debate and disagreement. Young people at our roundtable told us that in many countries of the region, government-led institutions disseminate their own versions of news, set up their own social media sites, and also use the internet as a tool to monitor civil society. 124

113. The capacity of states to use and misuse technology is demonstrated in Turkey. In March 2014, Turkish Prime Minister Recep Tayyip Erdoğan instructed internet service providers operating in Turkey, including TurkTelekom, to seal off access to social media sites like YouTube and Twitter. This action was taken in response to protestors using social media to organise. 125 In July 2016, President Erdoğan was able to thwart a coup d’état by bringing thousands of his supporters on to the street through social media: his Twitter account, Facebook page and WhatsApp account. The President also sent a nationwide text, warning people of the coup and urging people to take to the streets. 126

114. Terrorists have exploited the communications revolution, using the internet to preach, raise money, attract foreign fighters and disseminate propaganda. In Syria, Iraq and the UK, Da’esh’s use of messaging and propaganda is a critical component of its military capability. It sent 40,000 tweets in one day as it took Mosul (Iraq) in June 2014. 127

**UK policy: means to influence in a digital era**

115. The new technology is changing how people experience and interact with political power; British statecraft must respond and participate accordingly.

116. Technology, said Mr Tom Fletcher CMG, former UK Ambassador to Lebanon, “completely shifts the nature of the terrain”. To influence a very connected, networked generation, the UK Government has to embrace this technological change with vigour. The UK needs to “understand it and speak the language in the way we learned to speak Arabic” said Mr Fletcher. 128

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122 Q 226 (Jon B Alteman)
124 See Appendix 3
126 Merhul Srivastava, ‘How Erdogan turned to social media to help foil coup in Turkey’, *Financial Times*, 16 July 2016: [https://www.ft.com/content/3ab2a66c-4b59-11e6-88c5-db83c98a590a](https://www.ft.com/content/3ab2a66c-4b59-11e6-88c5-db83c98a590a) [accessed 24 April 2017]
128 Q 176 (Tom Fletcher)
fact, the UK needs to do both, as Arabic is the fastest growing language on the internet and social media.129

117. The new tools offered diplomats “the means to influence at a much broader level the public and not just the elites” said Mr Fletcher.130 The aim should be to reach out to the:

“middle ground: the people who are at risk of radicalisation who may be curious about our approach and values, but do not always hear from us what we stand for. That is the group we need to reach in different ways. You have to use new technology to do this”.131

118. Some British Ambassadors in the region have embraced the opportunities. Mr Crompton explained that a “core function of our ambassadors’ role now is to communicate through social media with the local population”.132 Professor Umut Özkirimli, Professor of Political Science, Lund University (Sweden) and Senior Fellow, Sabanci University (Turkey), pointed out that the British Ambassador in Ankara is “very active on Twitter—he is almost a Twitter phenomenon”, trying to counter the anti-Western narrative present in the Turkish domestic political discourse.133

119. Mr Fletcher noted the debate in the FCO of whether “diplomats and public servants should have a public profile at all”. At the moment, ambassadors “have a certain amount of autonomy to promote UK messages”. He advised that social media campaigns by ambassadors in post must have “a sense of purpose” and diplomats must not see this is a “popularity contest”.134

120. In Lebanon, during his tenure as ambassador, Mr Fletcher sent 10,000 tweets, and used social media and Twitter campaigns to stimulate discussions on social issues. He highlighted the treatment of migrant workers by swapping his job with that of a domestic worker: “those pictures went viral”.135 The “matchmaking service” which used social media to connect UK businesses with Lebanese connections doubled business in three years.136

121. The UK was one of the “first movers on social media” but currently there is an “arms race” and the UK is “competing with many other hungry, agile rivals”.137 Mr Fletcher has suggested that by 2020, the FCO should ensure that all staff are “digitally fluent” and that IT training is “integrated into inductions and data, digital and IT skills should be acknowledged as core 2020 diplomatic skills.”138

122. The trend whereby ambassadors in post have active Twitter feeds and a social media presence is to be encouraged. There are two risks: that ambassadors can perhaps act too autonomously or that they are not sufficiently active. We recommend that all ambassadors should be

130 Q 178 (Tom Fletcher)
131 Q 176 (Tom Fletcher)
132 Q 27 (Neil Crompton)
133 Q 107 (Umut Özkirimli)
134 Q 178 (Tom Fletcher)
135 Q 178 (Tom Fletcher)
137 Q 178 (Tom Fletcher)
offered guidance in advance of taking up a post, on how they can most effectively make use of social media.

123. **The internet provides an abundance of information, but much of it of dubious provenance and accuracy. In an era of “fake news”, reliable and timely information is essential. Traditional sources of reliable news, such as the BBC World Service, have a critical role to play and should therefore continue to be strongly supported. In addition, how UK ambassadors can counter fake news should form part of the training.**

### Demographic momentum

124. The Arab region is developing a new youthful demographic profile. According to the UN Development Programme’s Arab Human Development Report (AHDR) 2016, two-thirds of the Arab region’s population is under thirty years of age. Young people between 15–29 years make up 30% of the population, or some 105 million people in the Arab states.139 Young people (aged 18–24 years) make up 200 million people in the MENA region.140

**Figure 4: Demographics of the MENA and G7 countries**

![Demographics of the MENA and G7 countries](image)


125. The possibilities of a young, educated generation have to be tempered by the fact that young people face considerable challenges. Unemployment in the region has a disproportionate impact on them. Mr Issa informed us that the youth unemployment rate in the Middle East is 28.2% and in North Africa

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30.5% which is “well above the global average of 13%”. According to the AHDR the region needs to create more than 60 million new jobs in the next decade to absorb the large number of workforce entrants and to stabilise unemployment among young people. When young people do enter the workforce, many of the jobs are insecure and/or informal. Vulnerable jobs accounted for almost 30% of the region’s employment in 2011.

126. The young people who participated in our roundtable discussion—educated, well-connected students and professionals—were deeply frustrated by the lack of opportunities and the pervasive culture of nepotism and corruption. These burdens are exacerbated among young women who face additional burdens of gender inequality, both legislated and customary, despite the political achievements in a number of countries to legislate against inequalities.

**UK policy: education**

127. Supporting educational opportunities in the region and opening up access to British educational establishments is a critical way for the UK to engage with this particular demographic. Supporting educational reform is how UK policy can contribute most positively in the region.

128. The British Council explained that young people “will need access to quality, relevant education, 21st century skills and English to meet their aspirations”. As countries such as Saudi Arabia (Vision 2030) and Jordan (National Strategy for Human Resources Development 2016–2025) actively consider how to harness this new demography, there is an opportunity for the UK education sector “to step up its engagement with the region by plugging into ambitious reform projects”.

129. Mr Peter Meyer, Chief Executive Officer, Middle East Association, saw a role for the UK in Gulf countries, which despite their own universities, “certainly in Saudi Arabia, they are not producing people ready for the workforce”. The International Monetary Fund has concluded that in order for oil-producing states to diversify their economies, the “quality of education also needs to be improved and better tailored to the needs of the private sector”. Mr El-Idrissi told us that Gulf states “want to evolve their education systems. They want to create more universities. We have amazing universities in the UK, which can work in partnership with them”.

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141 Written evidence from Antoun Issa (MID0003)
143 Ibid., p 32
144 Appendix 3
145 Written evidence from the British Council (MID0004)
146 Q 166 (Peter Meyer)
148 Q 168 (Abdeslam El-Idrissi)
130. The Ennahdha Party would be “keen to strengthen … relations with British universities”.\textsuperscript{149} Sir Derek Plumbly explained that Egypt looked “towards the UK as a primary source of partnership in education”.\textsuperscript{150}

131. It is in the UK’s interests to deepen relations between young people and the UK. Young people at our roundtable (some of them recipients of Chevening scholarships and studying at UK universities) were an example of the mutually beneficial impact. “Universities, education and culture” said Professor Ali Ansari, Professor of Iranian History, Director of the Institute for Iranian Studies, University of St Andrews, are “all extremely important aspects in the exercise of Britain’s position in the outside world”.\textsuperscript{151} Mr Fletcher said that the quality of the British education system is at the “heart of our national brand”. It was critical to show that Britain was not becoming more isolationist in 2016 and “to do more to attract the world’s top students to our universities and to reduce the barriers to them attending”.\textsuperscript{152}

132. There is both an opportunity and a demand for the UK to revitalise its diplomacy amongst young people of the region. Many young people desire and welcome a relationship with the UK that engages with British culture, not just politics.

133. In the longer run, it is through support for the expansion of educational opportunities that outside powers, especially the UK, may have an effective stabilising role in the region.

134. The UK should continue to welcome and encourage young people from the MENA to study in the UK, increasing our influence amongst future leaders and decision makers, and fostering a generation that could be a positive force for change.

135. There is a risk that the current anti-immigration discourse and tightening visa controls could damage the UK’s influence and standing in the region. The Government should redouble its efforts to communicate clearly that the UK is open to foreign students, and to facilitate visa access. It is in the UK’s national interest to ensure that foreign higher education students are encouraged and attracted to study in the UK.

136. As a first constructive step, the UK Government should cease to treat higher education students, for public policy purposes, as economic migrants, and should take them out of net migration calculations.\textsuperscript{153}

\textsuperscript{149} Written evidence from the Ennahdha Party (MID00012)  
\textsuperscript{150} Q.2 (Sir Derek Plumbly)  
\textsuperscript{151} Q.19 (Ali Ansari)  
\textsuperscript{152} Q.179 (Tom Fletcher)  
\textsuperscript{153} This is also a recommendation of the Science and Technology Committee in its report, International Science, Technology, Engineering and Mathematics (STEM) students, (4th Report of Session 2013–14, HL Paper 162) and Select Committee on Soft Power and the UK’s Influence, Persuasion and Power in the Modern World (Report of Session 2013–14, HL Paper 150). This amendment, to the Higher Education and Research Bill, was passed in the House of Lords (13 March 2017) and is now due to be debated in the House of Commons.
CHAPTER 5: EXTERNAL POWERS

External power play

137. External powers come to the region chastened by their failures in Iraq, the Arab spring and Syria, playing a more circumscribed role than in the past. Western powers, said Mr Hayder al-Khoei, Research Director, Centre for Shia Studies and Visiting Fellow, European Council of Foreign Relations, “are becoming less relevant in the Middle East [and] this will continue to be the case”.154

138. The dynamics of international power are currently unstable and aggravating insecurity. They include an unpredictable US administration, a transactional and opportunistic Russia, and a new rising power—China—that remains unwilling to take more responsibility for the security of the region. Underneath this lack of international consensus, the scaffolding of international institutions is weakening.

139. This chapter surveys the roles of the US, Russia and China and considers how the UK should balance their tangled, and sometimes conflicting, interests with its own priorities.

A new US administration

140. A key external factor influencing UK policy and the region will be the policies of the new US administration.

141. The process of US retrenchment under the Obama administration could well continue under the Trump administration. The US no longer sees the region as vital to its energy and, therefore, economic and security needs. Mr Ayham Kamel, Director, Middle East and North Africa, Eurasia Group, pointed out that the structure of the US-Saudi relationship is moving away from a

“solid US commitment to the security of these regimes … driven partly by US energy independence but partly by Saudi tendencies and links between radical organisations in the Middle East and Saudi Arabia”.155

The US recently hit a new milestone with US fracking now accounting for about half of all US crude oil output.156 As the US proceeds to make itself more energy self-sufficient through fracking, it is probable that the Middle East will become more peripheral to US policy makers.

142. On the other hand, the extent of that retrenchment will be limited by the US’s continued security interests. Dr Haass explained:

“We have interests in opposition to terrorism; we have interests in opposition to the proliferation of weapons of mass destruction; we have the interest of standing by our ally and friend Israel; we have an interest in the stability of the oil-producing states—even if the United States is, on balance, energy-sufficient, we still import 4 million barrels of oil a day … we have other obligations in the Middle East and traditional

154 Q 122 (Hayder al-Khoei)
155 Q 41 (Ayham Kamel)
friendships with various Arab governments; we have our humanitarian concerns."\(^{157}\)

As Dr Haass pointed out the US may not need Middle East oil for itself, but it does import 4 million barrels a day and the price of oil is “heavily affected by developments in the Middle East”. If there are global consequences because of high oil prices, the US will suffer as well.\(^{158}\) Dr Nakhle echoed the US security concerns about terrorism and ensuring the safety of Israel, “the US’s closest ally in the region”.\(^{159}\)

143. Our witnesses were reluctant to speculate too much on the contours of a new US policy on the Middle East, highlighting the improvisatory and “mercurial” nature of the President’s policy-making.\(^{160}\) The initial optimism that experienced and restrained voices such as General Mattis, Secretary of Defence, and Rex Tillerson, Secretary of State, might have a moderating role on the inner workings of President Trump’s inner circle has been only partially borne out.

144. Some priorities have become evident. The Trump administration is likely to prioritise the fight against Da’esh. The President, said Dr Alterman, “is much more focused on elevating counter-terrorism as a military task”.\(^{161}\) President Trump will also choose his allies in the region with little concern for their internal politics. Mr Kamel explained that the Trump administration’s “core view is that Islamism is the prime threat in the Middle East and needs to be dealt with; authoritarianism is not”.\(^{162}\) The Arab rulers of the region, said Ms Kinninmont, are “attracted by [President Trump’s] focus on strong men”, and “hopeful that the US will be less interested in values promotion and democracy promotion”.\(^{163}\)

145. Dr Ahmed Al Hamli, President, TRENDS Research & Advisory, explained that the new administration had stated its “strong position against Iran and political Islam, which is the Muslim Brotherhood, Da’esh and Al-Qaeda—all those terrorist people”. Dr Al Hamli welcomed this approach which “could bring a much clearer approach and a strategy that works”.\(^{164}\)

146. The Trump administration marks the end of the brief period of US cooperative engagement with Iran.\(^{165}\) President Trump has stated his dislike of the Iran nuclear deal and to Iran’s role in the region.\(^{166}\) New bills have recently been introduced in both the House of Representatives and Senate to impose multiple layers of new sanctions on Iran for its support of terrorism, human-rights abuses, and missile programme. The Iran Nonnuclear Sanctions Bill

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\(^{157}\) Q 55 (Richard Haass)


\(^{159}\) Q 149 (Carole Nakhle)

\(^{160}\) Jon B Alterman used the term “mercurial president” (Q 218) and Henry Wilkinson referred to a “mercurial administration” (Q 52). On the challenges of predicting US policies see: Q 132 (Hayder al-Khoei and Haid Haid); Q 108 (Umut Özkirimli) and Q 218 (Jon B Alterman)

\(^{161}\) Q 219 (Jon B Alterman)

\(^{162}\) Q 41 (Ayham Kamel)

\(^{163}\) Q 41 (Jane Kinninmont)

\(^{164}\) Q 79 (Ahmed Al Hamli)

\(^{165}\) Q 219 (Jon B Alterman)

\(^{166}\) We consider the Iran nuclear deal and Iranian foreign policy in Chapter 6.
2017, which was introduced in the House of Representatives on 1 February, is one example.167

147. Witnesses agreed that the US remains a critical power in the region. Dr Dmitri Trenin, Director, Moscow Centre, Carnegie Endowment for International Peace, explained that the US “might not be always indispensable in reaching deals, but it is in allowing those deals to be implemented”. This has been recognised by President Putin; it has been an “important goal of Putin’s foreign policy to get the Americans on board”.168

148. In advance of the Trump Presidency, witnesses argued for a similar role for the UK. Sir Derek Plumbly said that the UK should “encourage the Americans to stay interested”.169 Mr Danahar suggested a new US administration would be likely to seek the UK’s opinion: whether “it will make any difference, I do not know but our voice will be heard”.170

149. Following the election, witnesses were more pessimistic, urging the UK to diverge from the US line if necessary. Mr Straw suggested that the UK should not aim for disagreement “but there are going to be some difficulties”. Therefore, on issues such as the Iran nuclear deal, he hoped that the UK would take a different view from the US.171 Mr Levy reflected on the US position on the Israeli-Palestinian question: should the US should take a “meandering, erratic, unhelpful, unconstructive, peace-negating position … Britain would be ill advised to align with it”.172

150. On two key British policy priorities, shared with our European partners—sustaining the nuclear deal with Iran and seeking a two-state solution for the Israeli-Palestinian dispute—the UK either has been notably ineffective in influencing US posture, or has been influenced in turn by the positions of the Trump administration. (We consider these in more detail in the next chapter.)

151. The new US administration has the potential to destabilise further the region. On seeking a two-state solution and relations with Iran, the US President has taken positions that are unconstructive and could even escalate conflict.

152. The mercurial and unpredictable nature of policy-making by President Trump has made it challenging for the UK Government to influence US foreign policy so far, a challenge that is not likely to ease.

Russia “on the march”

153. Russia—in order to restore a sense of a post-Soviet Russia as a great power, to regain leverage in the Middle East and to prop up its ally in Syria—has returned in force to the Middle East. Mr Danahar quoted a former CIA Director’s comments that Russia was “on the march” seeking “more

167 A bill introduced into the US House of Representatives, 115th Congress, to impose nonnuclear sanctions with respect to Iran, and for other purposes, 1 February 2017: https://www.congress.gov/115/bills/hr808/BILLS-115hr808ih.pdf [accessed 24 April 2017]
168 Q 121 (Dmitri Trenin)
169 Q 4 (Sir Derek Plumbly)
170 Q 66 (Paul Danahar)
171 Q 96 (Rt Hon Jack Straw). See also written evidence from Antoun Issa (MID0003)
172 Q 172 (Daniel Levy)
influence in the Gulf, Egypt and Syria”. Dr Alterman saw Russia as “principally worried about stability and order” and likely to act as a status quo power. Russia, said Dr Haass, has “proved its ability to shape events”. Mr Crompton said that President Putin “as part of his world approach, is determined to make a statement”. Dr Trenin saw that Russia wanted a “foothold in the region”.

154. The Russian statement and foothold is evident in Syria. Russia has acted to support its ally (President Assad) and has been part of a trio of countries, alongside Turkey and Iran, leading political efforts to negotiate a cessation of hostilities in Syria (the Astana Process). Russia has now secured its presence in Syria with its naval (Tartus) and air (Latakia) bases. Russia is clearly going to play an important role in the future of Syria. An American presence will be a “fig-leaf” for the Russians predicted Dr Alterman. The UK Government was not impressed by Russian efforts in Syria. The intervention has not been constructive, said Mr Crompton, “not least because of the extraordinary numbers of people who have been killed”.

155. Syria also underscores the limits of Russian power. In the months since Russian-backed government forces took back the city of Aleppo (November—December 2016), there has been little progress in forging a peace deal. The Russians have no authority over many of the factions in Syria, including the Kurds. Only the US, explained Mr Haid, has “influence over Kurdish forces”. The Russians also face the fact that the vast sums that will be required to rebuild Syria will have to come from the international community, including countries like Saudi Arabia and Qatar, which will all seek a political transition away from the Russian ally, President Bashar al-Assad.

156. Russia has been expanding its web of contacts and its diplomatic efforts in the region. In November 2016, Russia helped to broker an Organisation of the Petroleum Exporting Countries (OPEC) deal to cut oil production that remains yet to be fully implemented. In the middle of January 2017, Russia hosted talks between Fatah and Hamas. General Khalifa Haftar (Libya) visited Russia twice in 2016 seeking assistance and the Russians, in 2017, have been more engaged in Libya.

157. “All regional powers now recognise the importance of Russia as an influential power in the region” said Mr Issa. A series of regional leaders have been visiting Moscow. President Putin has received Abu Dhabi Crown Prince Mohammed bin Zayed Al Nahyan (April 2017), Jordan’s King Abdullah II

173 Q 68 (Paul Danahar)
174 Q 222 (Jon B Alterman)
175 Q 56 (Richard Haass)
176 Q 21 (Neil Crompton)
177 Q 114 (Dmitri Trenin)
178 Q 221 (Jon B Alterman)
179 Q 21 (Neil Crompton)
180 Q 122 (Haid Haid)
181 Q 116 (Dmitri Trenin)
182 ‘Russia’s Middle East ambitions grow with Syria battlefield success’, Financial Times, 19 January 2017: https://www.ft.com/content/c131d7c2-dda7-11e6-9d7c-be108f1c1dce [accessed 25 April 2017]
184 Written evidence from Antoun Issa (MID0003)
(January 2017), Saudi Arabia’s King Salman (March 2016) and the Emir of Qatar Tamim Bin Hamad Al Thani (January 2016). Dr Trenin explained that Russia has won “a certain image of steadfastness, cruelty maybe, a will to achieve the desired result, decisiveness”, characteristics “much valued in the Middle East”. The Ennahdha Party, for example, said the Russian attempt in Libya “to bring people to the negotiating table is a positive one” providing it is done within the agreed international framework.

158. The Middle East, however, is not a core Russian security priority. Actions in the Middle East, said Dr Alterman, are “discretionary rather than strategic”, it is “not like Ukraine or the Baltic states at all”. Dr Trenin agreed, “Russia’s engagement in the Middle East is not only about the Middle East. It might not even be primarily about the Middle East. It is about Russia’s standing in the world.”

159. UK-Russian relations have been strained following the seizure of Crimea and the conflict in Ukraine. Dr Trenin described the relationship as “frozen” noting that not “much moves between Moscow and London these days” and there was “practically no cooperation” on Syria or counter-terrorism.

160. There appear to be signs of a thaw. The Russians are now necessary to British foreign policy goals in the Middle East. “Britain’s influence and foreign policy are better if we can have better relations with Russia” said Mr Straw. The Foreign Secretary, the Rt Hon Boris Johnson MP, advised a “twin-track” approach to dealing with Russia: maintaining a robust position on any infringements of international law but also open to engagement. The UK, said the Foreign Secretary, has “to talk to the Russians. We cannot endlessly push them away and demonise them”. Mr Crompton accepted that a “diplomatic settlement in Syria will require regional accommodation with Russia”. In January 2017, the Foreign Secretary told us that if the Russians could deliver

“a negotiated ceasefire that leads to a political settlement that leads to some sort of democratic arrangement that transitions away from Assad, in my view that might not be a bad thing. We should be open intellectually to the possibilities of what they can achieve”.

161. The scope of Russia’s ambitions in the Middle East remains unclear. As a result, the UK’s engagement with Russia, while desirable, must continue to be cautious. Where it is possible to secure closer

186 Q 119 (Dmitri Trenin)
187 Written evidence from the Ennahdha Party (MID0012)
188 Q 222 (Jon B Alterman)
189 Q 114 (Dmitri Trenin)
190 Q 119 (Dmitri Trenin)
191 Q 97 (Rt Hon Jack Straw)
192 Q 130 (Rt Hon Boris Johnson MP)
193 Q 21 (Neil Crompton)
194 Q 130 (Rt Hon Boris Johnson MP)
cooperation with Russia on specific objectives in the region, including stability in Syria and Libya, counter-terrorism, making progress on the Israeli-Palestinian dispute and supporting the Iran nuclear deal, this should be pursued.

162. The Middle East is not, in itself, a national security priority for the Russians, unlike Ukraine and the European neighbourhood. Russia has been able both to foment and to exploit the turbulence of the Middle East to gain considerable authority and leverage, which it is likely to wish to trade off in the global arena.

163. The UK should pursue a transactional approach with Russia in the Middle East, willing to cooperate on specific objectives, but this should not be at the expense of compromising on Ukraine or Crimea.

China: flexible and cautious pragmatism

164. China’s economic power has been growing in the region, and its engagement has been driven primarily by its burgeoning energy needs. Middle Eastern countries account for 43% of China’s total foreign oil imports. China is a “major trading partner, increasingly, for Saudi Arabia and Iran” said Mr Henry Wilkinson, Head of Intelligence and Analysis, Risk Advisory Group. Saudi Arabia has been China’s largest source of oil imports for a decade. The energy relationship with Iran has been growing. In 2014, Iran’s exports to China, dominated by energy products, amounted to around $27.5 billion. China, said Mr Meyer, is “probably the only large source of finance for Iran at this point in time”.

165. An extensive economic relationship between China and the Gulf countries exists. Gulf countries are among China’s fastest growing trading partners (energy imports and export of manufactured goods). The Economist Intelligence Unit estimates that by 2020 China will be the dominant global exporter to the GCC, accounting for $135 billion in trade a year. China is also deeply involved in infrastructure projects, expanding pipeline capacity, railroads and other transportation infrastructure through inland routes to Central Asia and the Gulf states.

166. Our witnesses agreed unanimously that China’s interests are to preserve its economic interests, particularly facilitating its One Belt/One Road (OBOR) Initiative. Professor Kerry Brown, Director, Lau China Institute, King’s College London, explained that the OBOR aimed at creating “a huge economic region” encompassing the Middle East and Eastern Europe “with

196 Q 49 (Henry Wilkinson)
197 Chaoling Feng, op. cit., p 1
199 Q 170 (Peter Meyer)
202 Q 50 (Kerry Brown), Q 49 (Henry Wilkinson) and Q 153 (Carol Nakhle)
China being the principal trading partner and everyone being very happy with this.” Mr Wilkinson explained that the Middle East is “a major market, it abuts major trading routes through the Indian Ocean” and it is “a major source of energy for which China has a huge demand”. China’s “principal interest” is, therefore, “stable and secure markets”.

**Figure 5: ‘One Belt/One Road’**

167. China has previously demonstrated reluctance to shoulder too much of the security responsibility for the region; its preference is for other external powers to act as security guarantors. China knows, said Professor Brown, that the Middle East “will sap its diplomatic and political capital and that it has no real expertise”. The policy of “neutrality on politics”, as Dr Nakhle described it, has paid dividends. China has “remarkably”, said Professor Brown, “been able to maintain pretty positive relations with almost every country or partner in the Middle East”.

168. China can afford to have a light military presence because the US “has a heavy one” writes Dr Alterman: “The U.S. Navy has ensured freedom of navigation through the Indian Ocean, even as much of the trade making use of this route has been with China”.

203 [Q 50](#) (Kerry Brown)
204 [Q 49](#) (Henry Wilkinson)
205 [Q 5](#) (Sir Derek Plumbly), [Q 19](#) (Renad Mansour), [Q 49](#) (Henry Wilkinson), [QQ 49–50](#) (Kerry Brown) and [Q 189](#) (Mark Fitzpatrick)
206 [Q 49](#) (Kerry Brown)
207 [Q 153](#) (Carole Nakhle)
208 [Q 49](#) (Kerry Brown)
Its economic interests might drive China to “to have a more dominant role” said Professor Brown.\textsuperscript{210} It may be inevitable that China will have to engage, agreed Mr Wilkinson.\textsuperscript{211} There is evidence of China’s increased strategic engagement in the region with a first Middle East Strategy—Arab Policy Paper (January 2017)—and the announcement of an “all-round strategic partnership” between China and Saudi Arabia (16 March 2017).\textsuperscript{212} In March 2017, Beijing also offered to mediate talks between Saudi Arabia and Iran.\textsuperscript{213}

The contours of that future engagement are becoming more evident: it seems to be taking place mainly under the “umbrella of multilateralism” said Mr Wilkinson.\textsuperscript{214} “They want to avoid exposure; that is the core thing” agreed Professor Brown.\textsuperscript{215} China has been already acting within UN and multilateral structures. Mr Wilkinson pointed to the increased commitment to UN peacekeeping operations.\textsuperscript{216} Professor Brown highlighted the Iran nuclear deal as an example of China working tactically with international partners multilaterally, in order to avoid exposure.\textsuperscript{217}

There are, however, limits to China’s constructive engagement with multilateralism. The lack of consensus amongst external partners offers China opportunities. Professor Brown quoted Mao Tse-Tung: “There is chaos under heaven—the situation is excellent”. For the Chinese, he added, “our disarray at the moment is a wonderful thing”.\textsuperscript{218}

Dr Fox saw OBOR as a “major opportunity”. The infrastructure developments will “need a concomitant serviced sector development” and the UK is “very well placed” to meet those needs.\textsuperscript{219} Mr Meyer noted the role that British engineers could play in the infrastructure projects including within niche areas such as “fibre-optic cables, which often run alongside railways”.\textsuperscript{220} The Secretary of State will be chairing the joint economic and trade committee, later in the year in Beijing, and will also host an expo in Hong Kong with the specific purpose of setting out where UK businesses could add value.\textsuperscript{221}

The UK finds itself sharing interests—open markets, political stability and security of energy supplies—with China. The One Belt/One Road Initiative is a significant opportunity for UK commercial interests, which it should support. We find the UK Government prepared to exploit the possible opportunities.

If the US retreats in its support for the international rules-based order and in its security commitments to the Middle East, China’s economic interests may necessitate deeper political engagement.
175. There is no indication that the rise of China in the Middle East will be threatening to British interests. China is likely to want to manage its rise without clashing with any other external power, balancing regional relationships, without committing to onerous security burdens, and acting through multilateral institutions. There should therefore be scope for closer cooperation between the UK and China.

**Disregard of international institutions**

176. The Astana Process, the intervention in Yemen by the Saudi-led coalition, and the Global Coalition against Da’esh, point to the decline of the influence of multilateral institutions in the region. It used to be that certain key issues—the Israeli-Palestinian crisis most notably—took place at multilateral level with US support, but *ad hoc* groupings are now more the norm than the exception.

177. Syria is a humbling example of the inability of the United Nations (UN) to operate effectively when the Permanent Members of the Security Council are at odds with one another. The Minister, Mr Ellwood, noted that a whole series of “fairly neutral” resolutions on Syria, many “focused purely on humanitarian aid … were unable to get through the Security Council”. In Syria, said Mr Fletcher, the UNSC “sub-contracted our collective conscience and policy to Russia”. The political process led by Russia, Iran and Turkey (the Astana Process) to deliver an agreement in Syria is now happening outside the UN system, while the UN-led Geneva Process continues in parallel, but without making any noticeable progress.

178. Mr Wilkinson drew to our attention an “emerging new international order, where US-led institutions are diminishing” driven by the fact that treaties are “not respected by the people who authored them”. “That creates a whole new level of uncertainty about whether those institutions are appropriate” he said. Mr Fletcher agreed that the leaders of the UNSC—China, Russia and the US—are not “a coalition … for international, rules-based, tolerant understanding and diplomacy”. The “optimal structure” according to the Russian perspective, said Dr Trenin, is one in which “several major powers co-operate among themselves and with others to bring about order in the world”. In particular, said Ms Kinninmont, the new US President has “shown no interest in upholding the rules-based liberal international order”. Dr Alterman agreed that the new administration would dismiss the UN as “one of these multilateral institutions that water down American will and direction”.

179. As the UK by ending its membership of the EU looks for other means of upholding the international rules-based order, witnesses urged the UK to renew its commitment to the UN. Mr Fletcher advised the UK to invest “heavily in the UN system and the international rules-based system” ensuring that the UK was not “perceived as closing off from all that, especially at a time when the American administration may well be”. He noted: “The fact

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222 Q 190 (Tobias Ellwood MP)
223 Q 181 (Tom Fletcher)
224 Q 54 (Henry Wilkinson)
225 Q 181 (Tom Fletcher)
226 Q 114 (Dmitri Trenin)
227 Q 41 (Jane Kinninmont)
228 Q 224 (Jon B. Alterman)
that we are exiting one piece of architecture should mean that we go in even harder on UN reform.”

180. There is a desire in the region for the UN to play a role. In Syria, Mr Haid explained, the opposition groups desire the political process to “be conducted under the supervision of the UN, the EU and the US, because they do not trust Russia or Iran.” The Minister, Mr Ellwood, said the international community “needs to regain the initiative by ensuring that talks take place under the banner” of the UN.

181. Yemen may also be an opportunity for deeper and more active UN engagement. In Yemen, there is a fledgling UN peace process taking place, under the aegis of the UN Special Envoy, Mr Ismail Ould Cheikh Ahmed. In evidence to our inquiry on priorities for the new UN Secretary-General, witnesses informed us that where the “big powers are locking horns” there is unlikely to be a role carved out for the UN, but there are conflicts where the big powers would, as Lord Mark Malloch-Brown, former UN Deputy Secretary-General put it, “not only make way for UN leadership” but “welcome it because it lessens the diplomatic traffic”. Dr Alterman said that the US administration would not “look to the UN to lead, but they may acquiesce to the UN taking ownership of resolving conflicts”. For instance, if the US has “no interest in resolving the conflict in Yemen and if the special envoy can make progress”, he believed the administration would be “generally supportive of that”.

182. The North Atlantic Treaty Organisation (NATO) is in some uncertainty as two key members—Turkey and the US—question its value. Dr Alterman explained that the US President’s commitment to the organisation was lacklustre. He said that the President appeared to believe that the US could “deter people on our own and [did] not need large, multinational, multilateral institutions to do it”.

183. On the Turkish side, there is a distancing from NATO—Professor Özkirimli noted that “anti-NATO rhetoric … is escalating”. He explained the sense of anger within Turkey that NATO was not robust in its defence when Turkey was attacked by Da'esh (New Year’s Eve, 2016) and the perception that the West was hesitant in its support of President Erdoğan following the July 2016 coup attempt. Amongst the political elites, the discourse is of “creating a new Turkey through another independence war because everybody is against us”. For Professor Özkirimli, the blossoming alliance between Turkey and Russia, and the deal forged over Syria, is the “most worrying thing … from the perspective of the UK and NATO”.

184. There are ructions within the Alliance. Relations between Turkey and both Germany and the Netherlands have become strained: when German and Dutch authorities criticised Turkish government officials campaigning in their countries, and cancelled their campaign rallies, President Erdoğan

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229 Q 181 (Tom Fletcher)
230 Q 122 (Haid Haid)
231 Q 192 (Tobias Ellwood MP)
232 Oral evidence taken on 7 September 2016 (Session 2016–17) Q 45 (Lord Malloch-Brown)
233 Q 224 (Jon B. Alterman)
234 Q 223 (Jon B. Alterman)
235 Q 108 (Umut Özkirimli)
236 Q 110 (Umut Özkirimli)
accused both The Netherlands and Germany of “Nazi” tactics.\textsuperscript{237} Turkey’s attacks on the Dutch and German governments have been dangerously disruptive and its rhetoric deplorable for a NATO member.

185. The rules-based international order is a pivotal part of the UK’s foreign policy. As state power declines, the UK can only wield power via other alliances and international institutions, new and old.

186. As a member of NATO, the G-7, the G-20, UNSC and the Commonwealth (and for the moment the EU), Britain has a seat at virtually every international table of consequence. The UK must wield its diverse range of memberships in the world’s most influential organisations effectively. It should also work closely with its leading European allies, in particular France and Germany, on issues in the Middle East.

187. Over the past 100 years, Britain and France have often been at loggerheads in the Middle East behaving as rivals even when they were allies elsewhere in the world. The time for that is past. The right objective in future should be for the two countries to work together and thus to maximise their influence in a region of great importance to both of them.

188. The UK should support UN efforts at mediation in Yemen, Libya and Syria in particular urging Saudi Arabia to demonstrate its constructive cooperation with the peace process in Yemen. The resources of the international community will be critical to rebuild Yemen, Libya and Syria.

CHAPTER 6: EVOLUTION OF MIDDLE EAST STATES

The transformation of state power

189. State power in the Middle East is transforming, both strengthening and weakening. State powers, moreover, are not always playing a constructive role. In this chapter, we consider the transformation of state power in the region, and the role that the UK can play, alongside its allies, to calm state conflict and pursue a stable balance of power, in which the UK can engage productively with as many regional actors as possible.

190. State power in the region is evolving:

- States of the region have become more important geopolitical actors. The balance of powers has “clearly shifted from outsiders towards insiders”, said Dr Richard Haass, President, Council on Foreign Relations (US).\(^{238}\) The “gut instinct” of the Minister, Mr Stewart, was that the influence of external powers was “not comparable” to the past, because regional powers have grown so fast that they “are far less reliant on us for economic support, military support, or indeed any other kind of assistance”. The major Gulf monarchies “now have fully independent foreign policies”.\(^{239}\)

- The region was earlier characterised by a weaker Iran, frustrated by sanctions. The Joint Comprehensive Plan of Action (JCPOA) with Iran has removed some of the constraints on a Shia Iran allowing it to exercise power more openly. Witnesses pointed to Iranian penetration in the region. There is evidence that the Islamic Revolutionary Guard Corp (IRGC) has been playing a disruptive role in the region. It has “staked a huge claim in Syria” said Professor Ali Ansari, Professor of Iranian History, Director of the Institute for Iranian History, University of St Andrews.\(^{240}\) It is “involved in so many conflicts in the region” said Mr Mark Fitzpatrick, Executive Director, International Institute for Strategic Studies—Americas, that “if there is to be any deal to end those conflicts, the IRGC has to be involved in some way”.\(^{241}\) Iran is also a country described by the Rt Hon Lord Lamont of Lerwick, UK Trade Envoy to Iran, as insecure and fearful of its own security, surrounded by potentially hostile and well-armed opponents.\(^{242}\)

- Regional power is more dispersed and the balance between Arab/Sunni and Shia powers is shifting. Mr Neil Crompton, Director, Middle East and North Africa, FCO, pointed out that many of the “big players” in the region now are not Arabs: “Turkey, Iran and Israel have become much more important”.\(^{243}\) Lord Williams of Baglan, former UN Under-Secretary General and former UK Special Adviser on the Middle East, judged that the “key players” of the region were Russia, Iran, Turkey and Saudi Arabia.\(^{244}\)

\(^{238}\) Q 56 (Richard Haass)
\(^{239}\) Q 197 (Rory Stewart MP)
\(^{240}\) Q 12 (Ali Ansari)
\(^{241}\) Q 185 (Mark Fitzpatrick)
\(^{242}\) Q 156 (Lord Lamont of Lerwick)
\(^{243}\) Q 20 (Neil Crompton)
\(^{244}\) Q 38 (Lord Williams of Baglan)
Some states have been weakened chronically by internal instability and conflict. Former security stalwarts such as Egypt, Iraq and Syria are unable to play a stabilising role. Egypt, said Mr Crompton, has “spent much of the last five years internally focused”.

States of the region often carry significant sectarian and political baggage, hindering their capacity to act constructively. For example, as Mr Haid explained, the Astana Talks have been weakened by the fact that both Iran and Turkey (alongside Russia) “have not been able to achieve anything … because they do not have influence over all the actors on the ground”.

Political struggles between states are exacerbating sectarian tensions. (We consider Saudi-Iranian geopolitical competition below.) Mr al-Khoei pointed out that sectarian tensions become “most bloody” when states “have a political struggle and use religion as a means to mobilise and manipulate” the situation, acting as “sectarian entrepreneurs”.

**Figure 6: Sectarian balance of power**


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245 Q 20 (Neil Crompton)
246 Q 122 (Haid Haid)
247 Q 123 (Hayder al-Khoei)
Saudi-Iranian rivalry

191. A competition for regional hegemony between Iran and Saudi Arabia, partly driven by mutual threat perceptions, waged as a sectarian and political conflict, is actively destabilising Bahrain, Iraq, Yemen and Syria. Professor Ansari described it as a “cold war”. Mr Crompton said it “used to be a cold war” but has been “essentially a hot war” for the last three or four years, playing out in Yemen and Syria. Both countries, said Dr Haass, have been waging “an indirect or proxy war” in Yemen, Bahrain and Syria. The worry, said Dr Haass, was “that the proxy or indirect war could get direct”.

192. The principal points of conflict are currently Iran’s support of Shia militias (Iraq) and the intervention directly by the IRGC in Syria and Iraq; its support of proxies in Syria (Hezbollah) and Yemen (Houthis); and support for the domestic opposition in Bahrain. Saudi Arabia intervenes directly in Yemen and also supports its own proxies in Syria—Salafi jihadist militias—which are formally or informally allied with Jabhat Fateh al-Salem (formerly the Al Nusra Front, an al-Qaeda affiliate).

193. The Saudi-Iranian rivalry is mostly, but not exclusively, political in nature. A sectarian dimension helps fuel the conflict and domestic factors contribute heavily. Such tensions are likely to endure and could even increase as the Iran nuclear deal nears the end of its term and both countries compete on the international oil market. The interests of the international community are ill-served by this rivalry.

Consequences for UK policy

194. These regional shifts demand a reassessment of UK alliances and postures.

195. The evidence suggests that the new alignments do not work to the UK’s benefit. Twenty years ago, a British Foreign Secretary, said Mr Crompton, “could call Washington, perhaps Riyadh or Cairo, and possibly Tel Aviv, and solve maybe 85% of our policy”. Now, he “has to call more people, and some of the people he calls are not receptive”. Within the region, the UK has a fractious relationship with Iran and even long-standing allies such as Turkey are realigning. Professor Özkirimli informed us of the rising trend of “anti-West—anti-American and, to a certain extent, anti-British” sentiment that was permeating the Turkish domestic political discourse.

196. The UK has to be more transactional and adroit in its alliances. The new era requires a calibrated approach recognising that a large number of allies do “not quite fit neatly on the spectrum of ally or partner but vary from issue to issue” said Dr Haass. Regional actors are, in the words of President Obama, “high-maintenance allies” seeking to “exploit American muscle for their own narrow and sectarian ends”. The uncomfortable fact is that, as Mr Haid put it, “you have to deal with what you have” and the UK does “not have that many options”.

248 Q 12 (Ali Ansari)
249 Q 20 (Neil Crompton)
250 Q 65 (Richard Haass)
251 Q 20 (Neil Crompton)
252 Q 107 (Umut Özkirimli)
253 We address the question of British policy towards Gulf Arab allies further below.
254 Q 59 (Richard Haass)
255 Q 149 (Carole Nakhle)
256 Q 124 (Mr Haid Haid)
197. Turkey, for example, fits into this category, for despite the direction of internal travel, it remains a necessary partner. Turkey was described by Dr Jon B Alterman, Director, Middle East Programme, Centre for Strategic and International Studies, as a country “partly sliding into harsh autocracy” but on issues such as migration, Syria, Iraq and countering Da’esh, the UK found it to be a “crucial” partner.257

198. Finally, regional security is interconnected and requires a more coordinated approach. Reducing the tensions between Iran and Saudi Arabia requires a multi-faceted approach that is robust on Iranian foreign policy activities but, at the same time, reassuring to regional partners. As Mr Tom Fletcher CMG, former UK Ambassador to Lebanon, explained, policy can “often deal with these countries in isolation and fail to deal with the broader regional implications”.258 A second example would be the Israeli-Palestinian conflict, which may appear less salient at the moment, but has wider consequences for the sense of Sunni anger and regional stability.

199. **Power amongst states in the region is in flux and the UK cannot rely merely on its traditional allies. The UK will have to be more transactional and adroit in its partnerships in the region. Despite concerns about their own internal political direction, the UK will have to maintain productive working relationships with principal regional countries.**

200. **It is not in the UK’s interest, nor in that of its principal allies, that the Saudi-Iranian rivalry should continue to spread geographically and to intensify. A determined effort should be made to develop a *modus vivendi* between these important Middle East states, perhaps in a wider regional framework.**

**Four fold approach**

201. In order to build a more comprehensive, balanced policy for the region, we put forward four proposals.

**Reframe the UK’s Iran Policy**

202. The UK should position itself for a better relationship with Iran as a powerful Shia state, effective and active in foreign policy, and the second largest economy in the MENA region after Saudi Arabia.259 Dr Haass suggested there were three sets of policy issues around Iran. One, “what do we do about the agreement for the duration of the agreement?” Two, “what do we about Iranian behaviour not covered by the agreement” and finally, “what do we do about Iran in the nuclear realm beyond the agreement?”260

203. Building on the suggestions above, we suggest a more comprehensive British strategy on Iran below.

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257 Q 223 (Jon B Alterman) and Q 24 (Neil Crompton) and see Q 107 (Umut Özkirimli) for Turkey’s internal politics
258 Q 177 (Tom Fletcher)
260 Q 98 (Richard Haass)
British-Iranian dual nationals

204. A particular concern for the UK is the fate of British-Iranian nationals who have been imprisoned in Iran. Lord Lamont thought it might be “some sort of deliberate campaign against dual nationals” by the hardliners wishing to undermine the deal, and prevent the return of dualnationals “who obviously can do a lot of business in Iran”. Lord Lamont agreed that Iran's policy endangered better economic and political relations between the UK and Iran.

205. It is in the UK’s interests to pursue a better relationship with Iran, and we recommend that this should be a key priority for the UK. More cooperative political and economic engagement will also depend on Iran ceasing its campaign of harassment against British-Iran dual nationals, in particular in the case of Mrs Nazanin Zaghari-Ratcliffe.

The Iran nuclear deal, compliance and implementation

206. The endurance of the JCPOA is not a foregone conclusion. Speaking in October 2016, Professor Ansari believed that the deal was “in real danger of stalling, if it has not stalled already”. Ms Kinninmont explained the “major risk to the deal is … the perception in Iran that expectations of the economic dividend of the deal have been disappointed”. The view in Iran amongst the hardliners, said Mr Straw, is that the government “humiliated” itself by signing the deal and received nothing in return. The UK needs “to make sure that [the Iranians] get back more than they have so far received”. There has been “growing disillusionment” in Iran that the “West is reneging and that Iran is not seeing the benefits of the deal” said Lord Lamont.

207. The major impediment has been the design of US sanctions relief set out in the JCPOA. Significant sanctions—”primary sanctions”—remain in place. US persons and companies continue to be broadly prohibited from engaging in transactions or dealings with the government of Iran, and Iranian financial institutions, unless such activities are authorised by the Office of Foreign Assets Control (OFAC), the US body which administers and enforces sanctions. The US has not approved the use of dollar clearing for transactions involving Iran; and the use of correspondent accounts has also remained subject to significant compliance oversight.

208. As a consequence, US banks, or any international banks with US connections, have been deterred from providing services to Iran. Lord Lamont explained that banks in Europe have been “fined huge sums” for breaching the “know your customer” regulations, with the result that “European banks are terrified to lend money or even to process payments”. It has, said Lord Lamont, “become extremely difficult to finance trade with Iran”. Mr Straw agreed that there were plenty of business opportunities, but in most

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261 Q 158 (Lord Lamont of Lerwick) Lord Lamont referred to Ms Nazanin Zaghari-Ratcliffe and Mr Kamal Foroughi both of whom are imprisoned in Iran.
262 Q 11 (Ali Ansari)
263 Q 43 (Jane Kinninmont)
264 Q 93 (Rt Jack Hon Straw)
265 Q 156 (Lord Lamont of Lerwick)
267 A record fine of $8.9 billion was imposed on BNP Paribas for concealing transactions on behalf of Sudan, Iran and Cuba.
268 Q 156 (Lord Lamont of Lerwick)
cases “companies cannot get banking facilities because the big banks such as HSBC have withdrawn”.269 Neither Dr Carole Nakhle, Energy Economist, Crystol Energy, nor Mr Stewart Williams, Vice-President, Wood Mackenzie, saw many barriers to the Iran deal delivering a significant increase in oil production, including US sanctions, lack of investment and Iran’s own internal regulatory constraints.270

209. Even with an Obama administration “actively lobbying banks to ease up on lending to Iran”, the deal struggled to deliver.271 With a Trump administration and a Republican Congress opposed to the deal, the JCPOA is under real threat. The new US President has been highly critical of the nuclear deal, repeatedly calling it the “worst deal ever negotiated”, but he has also vacillated. At times, he has suggested it should be reformed and augmented, in his words “polic[ing] that contract so tough they don’t even have a chance”.272 Our witnesses suggested that the President was unlikely to renege on the deal, but the actions of the US—both its President and the Republican Congress—could undermine it,273 by augmenting the due diligence necessary for US companies,274 imposing new sanctions or threatening to re-impose sanctions lifted by the JCPOA.275

210. Lord Lamont, speaking to us in February 2017, feared the deal was imperilled: US sanctions relief, under the JCPOA, is exercised by a temporary presidential waiver of the Iran Sanctions Act 1996 which has to be renewed every four months.276 The next presidential waiver was due in April 2017. Mr Fitzpatrick did not think that the Trump administration would extend the waiver.277 Speaking to us in early March, Mr Tobias Ellwood MP, Minister for the Middle East and North Africa, FCO, was unable to state the UK’s position should the waiver not be extended.278 He wrote to us that “US sanctions, and the waiver renewal, are a domestic matter for the US”.279

211. On Tuesday 18 April, the US Secretary of State confirmed that Iran was compliant with the deal, the first certification by the Trump administration to the US Congress. The Trump administration also released a statement saying that it would launch an inter-agency review of whether the lifting of sanctions against Iran was in the United States’ national security. Tyler Cullis and Reza Marashi, of the National Iranian American Council, advised against optimism about a change of policy: “Trump’s certification of Iran's JCPOA compliance is not inconsistent with the approach being advocated by Iran hawks to kill the deal”. The authors refer to a new sanctions bill being presented by the US Congress, addressing issues beyond the JCPOA,

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269 Q 91 (Rt Hon Jack Straw)  
270 Q 151 (Carole Nakhle and Stewart Williams)  
271 Q 43 (Jane Kinninmont)  
273 Q 183 (Mark Fitzpatrick), Q 43 (Jane Kinninmont) and Q 220 (Jon B Alterman)  
274 Q 151 (Stewart Williams)  
275 Q 183 (Mark Fitzpatrick), Q 43 (Jane Kinninmont) and Q 42 (Ayham Kamel)  
276 Q 156 (Lord Lamont of Lerwick)  
277 Q 183 (Mark Fitzpatrick)  
278 Q 191 (Tobias Ellwood MP)  
279 Letter from Tobias Ellwood MP to Lord Howell of Guildford, 13 March 2017 (MID0013)
whereby the “Trump administration can kill the nuclear accord without launching a frontal attack on it”.280

212. Opposed to the US line is a broad coalition of international support. Mr Crompton, giving evidence in November 2016, said the UK would “argue strongly that we should stick with the agreement” and the UK “would want to honour” it.281 The High Representative for EU Foreign Affairs and Security Policy, Federica Mogherini, reiterated the EU’s support for the deal.282 Professor Brown suggested that “China will be a big supporter of not touching” the deal, having invested a lot of “political and diplomatic capital into it.”283 Mr Wilkinson said that China and Russia were making economic commitments in Iran and would not “just walk away from them because of a mercurial administration in the US”.284

213. Gulf States too have little interest in seeing the deal undone. Ms Kinninmont explained that while each country’s response had varied, “all of them have officially said they are in favour of it”.285 Mr Antoun Issa, Senior Editor, The Middle East Institute, noted that Oman and Qatar have been using the JCPOA as “an opening to develop economic ties with Iran”.286 Lord Lamont pointed out that there is also property investment from Saudi Arabia in Tehran and “Dubai is a major trading partner”.287 Even countries such as Saudi Arabia and Israel, firm opponents of the deal, are not opposed to the deal per se but the sense that with freed balances and lifted sanctions, Iranian foreign policy is now unconstrained as a result of the deal.288

214. Witnesses advised the Committee on helpful steps to support the JCPOA. Mr Kamel and Ms Kinninmont urged the UK to seek “alternative financing mechanisms”.289 Mr Kamel said that an alternative could come through “either Asian or Russian banks”, which highlights the point that there are non-Western powers unencumbered by US financial sanctions, like China, which could benefit from Iran’s ongoing frustration with opening Western markets.290 Mr Fitzpatrick suggested that European states could provide immunity to European firms doing business with Iran, which might fall foul of US sanctions. If “European firms were indemnified for any penalty imposed” by the US, they could continue to do business with Iran.291

215. On the other hand, Lord Lamont acknowledged that even the Iranian hardliners recognised, pragmatically, that the nuclear deal was the best option available at the moment; there is “no fallback option”.292

280 Tyler Cullis and Reza Marashi, ‘Has Donald Trump learned to love the Iran deal?’, The Huffington Post, 19 April 2017: http://www.huffingtonpost.com/entry/has-donald-trump-learned-to-love-the-iran-deal_us_58f7b8f8ee4b05b9d613fbce9c80 [accessed 26 April 2017]
281 Q 22 (Neil Crompton)
283 Q 51 (Kerry Brown)
284 Q 52 (Henry Wilkinson)
285 Q 44 (Jane Kinninmont)
286 Written evidence from Antoun Issa (MID0003)
287 Q 161 (Lord Lamont of Lerwick)
288 Q 44 (Jane Kinninmont) and Q 187 (Mark Fitzpatrick)
289 Q 43 (Ayham Kamel and Jane Kinninmont)
290 Q 43 (Ayham Kamel)
291 Q 185 (Mark Fitzpatrick)
292 Q 157 (Lord Lamont of Lerwick)
216. The Trump administration is unlikely to try to destroy the Iran deal, but the administration is also unlikely to take any steps to facilitate more effective sanctions relief to Iran. This will be a grave impediment to the sustainability of the Iran nuclear deal and it will mean that Iran’s ongoing frustration with opening Western markets will continue. A strategic opportunity will be lost as Iran looks to non-Western powers, like China and Russia, which will be able to develop faster and more extensive trade relations, opening new channels for financing trade and investment.

217. Relations between Iran and the West, and the future of the Iran nuclear deal, are imperilled by the political context in 2017: a hostile US administration; impending elections in Iran; and European supporters of the deal such as France and the UK consumed by their own internal political debates.

218. The interests of the UK Government are clear. The UK should continue to support the Iran nuclear deal, whether or not it is supported by the US. It will have to work closely with its European partners, and Russia and China, to ensure the sustainability of the deal. The UK must also be more transparent and vocal in its support, especially within the UNSC.

219. There is sufficient international support to ensure that the Trump administration will not be able to resurrect the international coalition to rebuild sanctions or impose new ones on Iran.

220. Nevertheless, US sanctions remain a serious impediment to opening up the banking sector, and attracting new finance and investment into Iran. The UK, alongside its European partners, should consider active measures to ease banking regulations and to open up new sources of finance and investment to Iran. This policy would make it more attractive for Iran to persevere with the JCPOA, however unhelpful US actions may be.

*Contain Iran’s foreign policy*

221. Iran’s foreign policy is deeply concerning to regional partners and destabilising to the region. Dr Haass said that “Iran is now essentially an imperial power”, advancing its interests via proxies and through domestic populations penetrating Iraq, Lebanon, Yemen and Bahrain. Professor Ansari explained that in order to compensate a domestic hard-line constituency, “Iranians have started to show a much more robust and muscular regional foreign policy”. Dr Al Hamli, from the UAE, said the major security threat was “Iran and the politicisation of religion”. Iran, continued Dr Al Hamli, was “weakening the region to gain as much control as it can.”

222. Lord Lamont countered that Iran has been acting defensively. Iran has deep insecurities: surrounded by armed Gulf countries, a hostile US, “the invasion of Saddam Hussein is ever present”, and it views its alliances with groups such as Hezbollah as an instrument of “asymmetric defence”.
223. The approach by international actors have been two-fold. The UK has been attempting to reassure Gulf allies. Mr Crompton explained that the “beefed-up UK effort” in the Gulf was to reassure Gulf allies that the UK’s “commitment to their security is as it was before”. The US has been attempting to contain Iran’s foreign policy. In response to Iran firing a medium-range ballistic missile, called the Shahab (29 January 2017), the US administration unilaterally imposed new sanctions on Iran, charging that Iran had defied UNSC Resolution 2231 (2015). The then US National Security Adviser, Michael Flynn, put “Iran on notice”.  

224. UNSC Resolution 2231 “calls upon Iran not to undertake any activity related to ballistic missiles designed to be capable of delivering nuclear weapons”. Mr Fitzpatrick said that from the range of the missile, it could be stated “pretty confidently that it was capable of carrying a nuclear weapon” and was therefore, by “spirit and arguably the letter”, in breach of the Resolution. On the other hand, in Resolution 2231, Iran “is called upon not to undertake any activity” which is not a clear prohibition. According to The Iran Project, a US non-government group of former diplomats, the latest missile test is “inconsistent with the spirit” of the UN Resolution but not a “violation”.

225. There are clear procedures at the UN for the imposition of sanctions, with breaches considered by the UN Sanctions Committee. This process was not adhered to by the US. The Minister, Mr Ellwood, reminded us that the US can impose its own sanctions unilaterally. We asked Mr Ellwood whether the UK had been consulted in advance of the US imposing sanctions; the Minister did “not know” whether that had been the case.

226. As for the US putting Iran “on notice,” that provokes more questions than answers. Mr Fitzpatrick said that nobody “really knows what that means. It was a vague red line” but speculated it might mean further missile tests would spur US sanctions, or that Iran should cease harassing US naval vessels.

227. Mr Fitzpatrick viewed US policies with “concern” and welcomed “concerned partners of the United States trying to counsel restraint” without making the White House feel that other “countries are ganging up on it”. Mr Fitzpatrick saw a useful role for the parties to the Iran nuclear deal to consult in advance and to offer the US some “good advice … not to go off the deep end”, ensuring that “any new sanctions are carefully measured so they do not violate the terms of the Iran nuclear deal”.

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297 Q 22 (Neil Crompton)
300 Q 184 (Mark Fitzpatrick)
301 UNSC Resolution 2231, *ibid*. By contrast, for example, UN Security Council Resolution 1929 (2010) which says that Iran “shall not undertake any activity related to ballistic missiles capable of delivering nuclear weapons” which does represent a clear prohibition. UNSC 2231 is more ambiguous in its language.
303 Q 191 (Tobias Ellwood MP)
304 Q 185 (Mark Fitzpatrick)
305 Q 184 (Mark Fitzpatrick)
228. The international community is limited in its capacity to respond to Iranian provocation in the region, but the approach by the US has a dangerous escalatory logic.

229. We recommend that the external parties to the Iran nuclear agreement should find a way to discuss amongst themselves any hostile foreign policy actions by Iran in order to form a united and proportionate international position on Iranian actions.

230. A proportionate and effective response to Iranian provocation will include the parties to the Iran nuclear agreement agreeing their collective position, exerting private diplomacy with the Iranians, setting clear red lines and agreeing on the diplomatic and financial measures to respond to Iranian actions. It will also have to recognise that Iran has legitimate security interests and needs to be recognised as having a role as a regional power.

231. The UK has so far demonstrated little capacity to influence the position of the US bilaterally, and must now act closely with European allies in order to do so.

After the deal

232. The JCPOA constrains Iran’s nuclear options through a combination of physical limits on numbers and types of centrifuges for eight years and on fissile material production for a further 13 years, to be followed by gradual evolution of its enrichment activities (for exclusively peaceful purposes), as well as continued verification measures.\(^{306}\) It does not eliminate the risk that Iran will seek to acquire nuclear weapons after that time.

233. Dr Hamli feared that there was a risk “that Iran is still moving forward to obtain a nuclear weapon in secret through its military facilities”.\(^{307}\) Lord Lamont disagreed, pointing to the continued limitations: the monitoring of centrifuge capacity—rotors and bellows—will last until 2036, the production of Uranium ore concentrate will be monitored until 2041 and the Additional Protocol, once ratified, would give the International Atomic Energy Agency (IAEA) access to Iran’s suspected sites. Iran has also agreed to “abide in perpetuity with the provisions” of the Non Proliferation Treaty (NPT).\(^{308}\)

234. Other witnesses were less reassured and suggested a “follow-on agreement” which would include, suggested Dr Haass, the “kind of constraints we want to continue on Iranian nuclear capability”. Without an agreement in place, it is possible that the break-out time—the time Iran would need to produce a nuclear weapon—would “literally become negligible”. He suggested an international group—in the same format that negotiated the JCPOA—to consider such an agreement.\(^{309}\)

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\(^{307}\) Q 72 (Ahmed Al Hamli)

\(^{308}\) Q 159 (Lord Lamont of Lerwick)

\(^{309}\) Q 59 (Haass)
235. Another option would be to “generalise and globalise” the terms of the JCPOA.\(^{310}\) Lord Hannay of Chiswick (a Member of this Committee) and Thomas R. Pickering have suggested using the terms of the JCPOA, such as the limits on uranium enrichment (quantity and quality) and the monitoring and inspection regimes, to set an international standard.\(^{311}\) Such an approach, they argue, could take “Iran out of a special category and make it part of an international regime which should be widely applied to all states”, and break the deadlock over negotiating a Fissile Material Cut-Off Treaty.\(^{312}\) The authors argue that the Permanent Five members of the UNSC should take the lead.

236. Lord Lamont thought the suggestion a “very good idea, but it would require a lot of very energetic diplomacy”. Many of the non-aligned countries would not wish to agree to a standard that did not put the UK and US on the same basis, and it would also be challenging to get the US to sign up.\(^{313}\) Mr Fitzpatrick agreed that globalising the constraints in the JCPOA would be the “best way to extend the duration of the deal”. He believed that JCPOA terms such as the IAEA verification measures and the ban on highly enriched uranium could become the global standard. As for US opposition, Mr Fitzpatrick reminded us that in a decade there might be a different US administration in place.\(^{314}\)

237. Action should be taken by the parties to the Iran nuclear deal to consider what will follow it. These will have to include robust monitoring mechanisms and sufficient inducements to make it attractive to Iran.

238. The terms of the Iran nuclear deal could be broadened into an international standard, making Iran less of a special case. We urge the UK Government to extend some energetic diplomacy to secure backing amongst the P5 of the UN Security Council to explore such ideas.

Review the relationship with the Gulf States

239. The Gulf states “have been a massive priority for this Government in terms of trade and defence strategy”, said Ms Kinninmont.\(^{315}\) The UK has, Mr Crompton told us, “fundamental, deep-rooted interests on the Arab side of the Gulf and we want to strengthen them”.\(^{316}\) The Foreign Secretary pointed out that UK exports to the Gulf are worth £20 billion annually.\(^{317}\) The Minister, Mr Ellwood, pointed to the 5,000 UK businesses operating

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313 Q 159 (Lord Lamont of Lerwick)

314 Q 188 (Mark Fitzpatrick)

315 Q 46 (Jane Kinninmont). See also Figure 2 on defence exports.

316 Q 23 (Neil Crompton)

in the Emirates and substantial investment by Gulf States into the UK. Mr Crompton also pointed to the importance of the security relationship between the two sides.

240. As part of a post-Brexit diplomatic effort, there has been a closer security alignment between the UK and the Gulf monarchies. The Prime Minister addressed the GCC Summit in Bahrain on 7 December 2016 stating that “Gulf security is our security.” The Foreign Secretary pointed to upgraded commitments: Britain’s Gulf Defence Staff is being located in Dubai; the Al-Minhad air base in the UAE provides a hub for the Royal Air Force; in Oman, the British Army is establishing a Regional Land Training centre and HMS Juffair (Bahrain) will be a naval support facility. Britain has, in total, 1,500 military personnel and seven warships in the Gulf region, and intends to spend £3 billion on its military commitments in the Gulf over the next decade.

241. The UK’s policy of arms sales has already been discussed (Chapter 3) but witnesses also raised the question of Saudi Arabia and other Gulf monarchies acting directly counter to UK national security. Dr Renad Mansour, Asfari Fellow, Middle East and North Africa, Chatham House, told us that Saudi Arabia pays “a lot of money to Wahhabi schools and organisations that act against the UK’s interests.” Mr al-Khoei noted that Saudi Arabia had been called “the number one global financial hub for Islamic terrorist groups worldwide”. Mr Haid countered that the government of Saudi Arabia has been trying to move in a different direction but agreed that the Kingdom had not done enough to control wealthy Saudis privately funding terrorist groups.

242. Mr al-Khoei broadened his criticism to Kuwait and Qatar, two countries named by the US Treasury Department as “allies who are not doing enough to combat the supply” of funds to Islamic terrorist groups. Mr al-Khoei noted that it is “clear” that the UK “gives almost unconditional support” to its Gulf Arab allies who have “not been very helpful in combatting the various radical forces”. The UK, counselled Mr al-Khoei, should do more to say “enough is enough.”

243. An oft-stated argument is that the close relationship with these monarchies offers the UK particular access and influence. Mr Michael Stephens, Research Fellow, Middle East, Royal United Services Institute, made the case: the fact that the UK “can sit in a room with the King of Saudi Arabia puts us well above 99.9% of other countries.”

244. Other witnesses were sceptical. In Bahrain, Mr Luther said the UK Government’s argument that “private diplomacy is the best, most effective
means” to address regressions in human rights has not been demonstrated.328 Dr Christopher Davidson, Reader in Middle East Politics, Durham University, agreed that the UK has not been able to exert any meaningful pressure and UK officials have been “praising Bahrain’s supposed progress on human rights, whereas in fact the exact reverse has happened”.329

245. Influence is a two-way street: Lord Lamont said that the close relationship with the Gulf monarchies could mean that the UK tended to “see things entirely through the Arab countries’ eyes” and did “not see the insecurities that the Iranians have”.330 Mr Fletcher had observed that “many [British policies] suggested to the region that we had picked a side”. Partly due to the difficult relationship with Iran, when a crisis hit “often the first telephone calls would be to Doha, Riyadh or Tel Aviv. We would get only one side of that debate”.331

246. In 2015, the Government committed to defining a Gulf Strategy. The Strategic Defence and Security Review stated that the UK would set out its “vision of our future relationships with partners in the region in our new Gulf Strategy.”332 Mr Crompton qualified that by a Gulf strategy, the Government meant “essentially building on what we have done before”, and he did “not think there [was] a plan to publish it as such”.333 Mr Luther pointed out that there had been an expectation that the UK would re-evaluate its approach after the Gulf summit (December 2016), but this has not proved to be the case.334

247. The UK has a crucial interest in maintaining a clear-eyed but close relationship with the Gulf monarchies. As political authority collapses in many Middle East countries, the UK needs a good working relationship with the remaining stable countries. We also recognise the shared interests: defence sales, non-defence commercial interests and trade, the fight against terrorism, and security of energy supply throughout the Gulf.

248. Nevertheless, despite some minor improvements, many countries of the region continue to remain repressive. On key issues of public and parliamentary concern, the Government has not been able to demonstrate that private diplomacy has been able to influence the direction of policy.

249. The UK has to go to considerably further lengths to improve transparency and accountability around its relationships in the Gulf. The UK has not taken the opportunity to set out a clear assessment of its objectives in the region, to which it can be held to account.

The Israeli-Palestinian dispute

250. Prospects for progress on the Middle East Peace Process are bleak. The Foreign Secretary judged it to have been “bogged down, static, [and]
paralysed for some years now”. The Rt Hon Jack Straw, former Foreign Secretary (2001–06), was “very pessimistic about the prospect of any resolution”. The “important thing is not the exact shape” of the outcome, suggested Dr Alterman, but that there is a process so that “Palestinians feel that something is happening [towards] accomplishing some of their needs” and that “Israelis feel there is some prospect of becoming a more normal state with a more normal set of security concerns”. “The problem is that we do not have that process” he added.

Witnesses were also clear that neglect of the issue would be myopic. The Israeli-Palestinian conflict is far from the only conflict in the region, nor is it the most deadly, but it does occupy a special place in the region’s political life and in the psyche of the Arab people. Mr Daniel Levy, President, US-Middle East Project, explained its “iconic” meaning: “Palestine is still a rallying cry” and is “pointed to as a very important and legitimate grievance in how the Middle East is treated by the West”. Mr Nicholas Pelham, Middle East Affairs correspondent for The Economist, saw the conflict as a “black stain on western efficacy in the region” and judged that the “knock-on effect [of a resolution] would be quite considerable.”

The prospects for progress on a two-state solution have, however, dimmed considerably in the last year on two fronts: the US and Israel.

In February 2017, President Trump dropped the US commitment to a two-state solution, surrendering the decision to whatever “both parties like”. Second, his continued threat to move the US embassy to Jerusalem, which would recognise Jerusalem as the capital of Israel, remains an inflammatory option. Third, his choice of David Friedman—an opponent of the two-state solution and advocate of Israeli settlements—as ambassador to Israel may raise tensions.

The politics and policies of Israel diminish the possibilities of peace, specifically the rapid expansion of settlements beyond the agreed 1967 borders of Israel. Under Prime Minister Benjamin Netanyahu, the extent and geography of settlements have increased. Since his return to power in 2009 and 2014, the settler population has increased by over 80,000, including at least 16,000 in the West Bank itself. Between 2009 and 2014, construction began on 9,000 new settlement units in the West Bank and 3,000 more in East Jerusalem. This brings the total settler population in East Jerusalem and the West Bank to at least 570,000. Mr Levy drew our attention to a recent bill, passed in the Israeli Knesset on 6 February, which would allow the expropriation of privately owned Palestinian land, “legalising essentially the theft of Palestinian private property”.

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335 Q 142 (Rt Hon Boris Johnson MP)
336 Q 90 (Rt Hon Jack Hon Straw)
337 Q 220 (Jon B Alterman)
338 Q 173 (Daniel Levy)
339 Q 66 (Nicholas Pelham)
341 The “Green Line” or 1967 borders are the demarcated lines setting out the internationally agreed borders of the State of Israel.
343 Q 173 (Daniel Levy)
255. The rate and location of these settlements, specifically chosen to make a contiguous Palestinian state an impossibility, makes Israeli policy very problematic. The building and legalisation of settlements “makes the potential operation of a separate Palestinian state incredibly difficult” said Mr Straw.\(^{344}\) The Minister, Mr Ellwood, said that the “growth of settlements is coming perilously close to making [the two-state solution] an impossibility”.\(^{345}\) Mr Netanyahu’s tactic, said Mr Levy, was to suggest the Israelis are “ready for peace while making the conditions impossible and making the realities on the ground ever less amenable to two states”.\(^{346}\)

256. The Israelis are treated with kid-gloves by the international community. They “can do anything” said Mr Straw, and “they suffer no penalty at all”.\(^{347}\) Mr Levy explained the perception in Israel that:

> “while the rhetoric escalated, the practical upshot of that international opprobrium was almost zero … those who condemned settlements on Mondays and Wednesdays were expanding their trade, scientific, military intelligence, technology and sport co-operation with Israel on Tuesdays and Fridays”.\(^{348}\)

257. There has also been a “rare … confluence of interests” between some Arab states and Israel. Upheavals in the Middle East have led “moderate Arab countries … to see Israel, as a strategic asset, a countervailing force to regional threats, an ally in promoting stability and prosperity.”\(^{349}\) Egypt and Jordan for some considerable time have had constructive relationships with Israel, with the Egypt-Israeli peace treaty dating to 1979. Mr Crompton was “pleased that Turkey has made efforts to improve relations with Israel”.\(^{350}\) There is a shared antipathy between Saudi Arabia and Israel towards Iran. In August 2016, a Saudi delegation visited Israel and met with senior officials.\(^{351}\) The “game that is really in play here”, feared Mr Levy, is that the Israelis are testing “the hypothesis of how far they can go in their relations with certain Arab states without having to concede anything on the Palestinians”.\(^{352}\)

**British policy options**

258. Successive British Governments have reaffirmed their commitment to the two-state solution. In November 2015, the UK National Security Strategy and Strategic Defence and Security Review said the UK would

> “take every opportunity to promote a peaceful two-state solution through the Middle East Peace Process, as the only way to secure lasting peace”.\(^{353}\)

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344 Q 90 (Rt Hon Jack Straw)
345 Q 190 (Tobias Ellwood MP)
346 Q 172 (Daniel Levy)
347 Q 92 (Rt Hon Jack Straw MP)
348 Q 173 (Daniel Levy)
350 Q 24 (Neil Crompton)
352 Q 172 (Daniel Levy)
The Minister, Mr Ellwood, reiterated that the UK remained “absolutely focused on saying that the two-state solution is what we want to achieve”.\(^{354}\)

259. Previous UK Governments have also been clear that the expansion of Israeli settlements beyond the agreed 1967 borders is a breach of international law and an impediment to peace. The 23 December 2016 UNSC Resolution 2333, of which the UK is a signatory, said that:

“the establishment by Israel of settlements in the Palestinian territory occupied since 1967, including East Jerusalem, has no legal validity and constitutes a flagrant violation under international law and a major obstacle to the achievement of the two-state solution and a just, lasting and comprehensive peace”.\(^{355}\)

260. Witnesses suggested a series of measures to strengthen the long-standing UK policy of advancing the two-state solution.

261. First, advised Lord Williams, a “little more political robustness is required with the government of Israel”.\(^{356}\) Israel, said Mr Pelham, “pretty much holds all the cards”. If Israel is not willing to negotiate on a two-state solution, it should be recognised that it is a “single jurisdiction … controlling not just the Israeli population but the Palestinian population”, added Mr Pelham.\(^{357}\)

262. The UK Government has shown no such increase in robustness. In December 2016, despite co-sponsoring the UN Resolution condemning settlements, the Prime Minister distanced the UK from the outgoing Obama administration’s criticism of the Israeli government and its policy of settlements. On 29 December, the outgoing Secretary of State, John Kerry, warned that the rapid expansion of settlements in the occupied territories meant that the “status quo is leading toward one state and perpetual occupation”.\(^{358}\) A statement by the Prime Minister’s office criticised Mr Kerry’s language and said that while settlements are “illegal” they are “far from the only problem”, and stressed that the people of “Israel deserve to live free from the threat of terrorism, with which they have had to cope for too long.”\(^{359}\)

263. Second, a functioning Palestinian Authority is critical to delivering peace. To date, attempts to build up the Palestinian Authority have made slow progress, or even stalled and need to be rethought. The UK, Mr Levy judged, could “constructively be part of that rethink”.\(^{360}\) Lord Williams agreed that anything the UK could “do now to invest politically in the Palestinian Authority” would be a “very positive step forward”.\(^{361}\) Brexit makes it more challenging for the UK to play a significant role as the UK may not have the

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\(^{354}\) Q 190 (Tobias Ellwood MP)


\(^{356}\) Q 37 (Lord Williams of Baglan)

\(^{357}\) Q 66 (Nicholas Pelham)


\(^{360}\) Q 173 (Daniel Levy)

\(^{361}\) Q 37 (Lord Williams of Baglan)
leverage of the EU, which is the largest multilateral donor to the Palestinian Authority.362

264. Third, the UK Government could support EU diplomacy, including the French-led initiative to revive the peace process. Lord Williams explained that were “an initiative to be brought forward by the UK, France and Germany, that would certainly be noted”.363

265. In fact, the UK has recently weakened its support of EU diplomacy on this issue. The UK is the “key player in blocking Council conclusions”, said Mr Levy, which is empowering other EU countries to break the EU line.364 In January 2017, the French hosted a conference, bringing together 70 countries, which reaffirmed their commitment to the two-state solution.365 The UK took what Mr Levy described as a “very degrading, dismissive attitude to the Paris conference”, by refusing to align itself with the subsequent Paris Declaration (15 February 2017).366 Mr Levy saw the UK’s approach as part of “a post-Trump phenomenon”—an “ingratiation initiative” with the new US administration.367 The Foreign Secretary dismissed the international conference as “diplomatic ventures” not really aimed at producing a resolution but “domestic political posturing in the run-up to various elections”.368

266. A negotiated two-state outcome remains the only way to achieve an enduring peace that meets Israeli security needs and Palestinian aspirations for statehood and sovereignty, ends the occupation that began in 1967, and resolves all permanent status issues. We condemn the continuing Israeli policy of the expansion of settlements as illegal and an impediment to peace.

267. On its current trajectory, the Israeli-Palestinian dispute is on the verge of moving into a phase where the two-state solution becomes an impossibility and is considered no longer viable by either side. The consequences would be grave for the region. The resolution of the Israeli-Palestinian dispute must remain high amongst British foreign policy priorities. The Government should be more forthright in stating its views on these issues despite the views of the US administration.

268. The aim at this juncture is to ensure that the climate for diplomacy does not degrade any further.

269. In the absence of US leadership, it is time for the Europeans to play a more active role. The UK should support European diplomacy, including the French-led initiative. The International Conference intends to meet again at the end of 2017 and the UK should undertake to support it meaningfully, both politically and financially. It is also

363 Q 40 (Lord Williams of Baglan)
364 Q 173 (Daniel Levy)
366 Q 173 (Daniel Levy)
367 Q 174 (Daniel Levy)
368 Q 142 (Rt Hon Boris Johnson MP)
an opportunity to bring moderate states of the region on board to build a broad coalition of international support.

270. The balance of power in the delivery of peace lies with Israel. If Israel continues to reduce the possibilities of a two-state solution, the UK should be ready to support UNSC resolutions condemning those actions in no uncertain terms. The Government should give serious consideration to now recognising Palestine as a state, as the best way to show its determined attachment to the two-state solution.  

Regional approaches to cooperation

271. As Lord Williams put it, regional organisations are “weaker in the Middle East than in most areas of the world”. There is, however, nothing inherent about the region that makes it impossible for such structures to exist, and for too long the question of the Israeli-Palestinian conflict has been used as a pretext for preventing such cooperation.

272. The idea of adopting a regional approach to enhanced cooperation and security in the Middle East has generated some interest over the years. At the International Institute for Security Studies Manama Dialogue (2008), the foreign minister of Bahrain made statements in favour of:

“the establishment of a regional organisation in which all the countries of the Middle East and North Africa are members, without exception … a genuinely Middle Eastern body in which Middle Eastern countries sit down to reach Middle Eastern solutions to Middle Eastern issues”

273. There are sub-regional groupings such as the GCC (created in 1981), the Arab League (formed in 1945) and the Organisation of Islamic Cooperation (founded in 1969). There are challenges facing all these bodies. The Arab League excludes non-Arab states, most notably Turkey, Iran and Israel; the same applies to the GCC, which is more exclusive. Lord Williams noted the ineffectuality of these groupings: the Arab League is a “lifeless body” and he saw “[n]ot much more” sign of life in the Organisation of Islamic Cooperation. Dr Davidson said that the GCC has had “a rather troubled … [and] lacklustre reputation” with regards to its capacity to organise itself.

274. Witnesses thought the suggestion of a regional framework was a helpful one. Professor Ansari said that regional stability required the means “to find some regional security organisation”. He added that it would be “difficult to achieve in the current circumstances but that does not mean that we should not try”. Dr Mansour agreed that any steps that could encourage “talking to your enemy rather than ignoring them” should be encouraged. The aim should be to “try to find where there are commonalities, particularly

369 This would follow the House of Commons vote (October 2014) which supported the recognition of the state of Palestine.
370 Q 38 (Lord Williams of Baglan)
372 Quoted in ibid.
374 Q 38 (Lord Williams of Baglan)
375 Q 32 (Christopher Davidson)
376 Q 18 (Ali Ansari)
economics but also security commonalities”. Lord Lamont agreed that regional security required the “main players all having a say”.

275. Witnesses were, however, sceptical of the capacity of the states of the region to deliver for three reasons: any discussion would require a net reduction in the Saudi-Iranian rivalry; states have shown marked distrust of any proposals and have been incapable of the necessary organisation. Dr Davidson warned us of the “long history of failed attempts to create similar sub-regional organisations”.

276. A regional multilateral architecture cannot be realistically pursued as a short-term option but, as in Europe after World War II, more as a medium to long-term objective. As Professor Peter Jones has written:

“The Middle East desperately requires some rules of behaviour for its states and a mechanism to allow for ongoing dialogue over security issues. As the experience of other regions has shown, individual conflicts, no matter how serious, need not stand in the way of regional institutional development”.

277. The process of building more multilateral structures in the region is a long-term one. The process of working within institutional structures helps produce progressive changes in the economic sphere and can help strengthen rules of conduct in the political sphere.

278. Since the smaller Gulf states have demonstrated more economic dynamism and political flexibility in recent years, assisting these countries with further economic integration could help them move towards closer working relations. Here British trade policy can be a useful tool (see Chapter 8).

377 Q 18 (Renad Mansour)
378 Q 162 (Lord Lamont of Lerwick)
379 Q 32 (Christopher Davidson), Q 32 (Michael Stephens) Q 18 (Ali Ansari) and Q 38 (Lord Williams of Baglan) and Peter Jones, ‘Structuring Middle East Security’, Survival, vol 51, No. 6, December 2009–January 2010, pp 105–122
380 Q 32 (Christopher Davidson)
CHAPTER 7: BEYOND THE STATE

Structural challenge to states

279. In this chapter we consider how UK policy should respond to the unravelling of states; to one very significant sub-state actor—the Kurds; and to the persistent threat of terrorist actors. The overriding theme of the evidence we received has been that in this complex and blurred scene, UK diplomacy will have to be flexible and pragmatic.

Unravelling of states and rise of new actors

280. There is some structural weakening of sovereign states in the Middle East. Dr Renad Mansour, Asfari Fellow, Middle East and North Africa Programme, Chatham House, explained that in the 20th century “central governments were able to dominate all the space”, but “they are no longer able to do that”.382

281. Lord Williams of Baglan predicted that it was “difficult to see nation states … in control of all their territories, coming back in future years”.383 The writ of central government in many states is receding. Borders, Dr Mansour reflected, are “redefined, and different borders are stronger”. Informal borders such as that between the KRG [Kurdistan Regional Government] and Iraq are “a lot stronger than that between Iraq and Syria”. As Dr Mansour pointed out “[i]f you want to talk about the Kurds in Iraq, you do not go to Baghdad”.384 The approach where “states are the main actors in international affairs is no longer that relevant” he added.385

282. Syria and Iraq, riven by conflict, are the most vulnerable. Yet our witnesses said that calls for these countries to be partitioned along ethno-sectarian lines raised practical and strategic questions. Mr Ayham Kamel, Director, Middle East and North Africa, Eurasia Group, said that in Syria civil war “cannot be resolved just by creating smaller pieces of Syria, as the problems that we see in Iraq today would just be replicated on a much larger scale in Syria”.386

283. Mr Haid Haid, Associate Fellow, Chatham House agreed that one of the “main misconceptions” amongst Western experts and governments was that dividing Syria would be a solution.387 Carving up Iraq, Mr Hayder al-Khoei, Research Director, Centre for Shia Studies judged, would open up a “Pandora’s box” with partitions along ethno-sectarian lines driving a “race to the bottom in each individual canton over who is more Sunni, who is more Shia, who is more Kurdish”.388

284. Both Mr al-Khoei and Mr Haid agreed that decentralisation in Iraq and empowering local governance in Syria could be helpful measures.389 In the case of Iraq, that should be facilitated through the central government said Mr al-Khoei.390 In Syria, Mr Haid set a high standard in the current context; it was critical that any political solution should be “fair, just and accepted

382 Q 16 (Renad Mansour)
383 Q 36 (Lord Williams of Baglan)
384 Q 14 (Renad Mansour)
385 Q 15 (Renad Mansour)
386 Q 47 (Ayham Kamel)
387 Q 131 (Haid Haid)
388 Q 131 (Hayder al-Khoei)
389 Q 129 (Hayder al-Khoei and Haid Haid)
390 Q 129 (Hayder al-Khoei)
by all groups”. However, Ms Mina Al-Oraibi, Senior Fellow, and Ms Clare Lockhart, Director and Co-Founder, Institute for State Effectiveness, said the “idea that decentralisation is a panacea is false”: it can “lead to the fragmentation of problems, especially those of corruption and lack of competence”.392

285. There are important constituencies in both Syria and Iraq who support the unitary state. The Syrian regime, said Mr Kamel, is “very centralist” and its “willingness to accommodate different groups, including the Kurds, is only temporary”.393 None of the different parties—whether opposition groups, Kurds or regional actors—wanted a divided Syria. Mr Haid explained that the “discussion when it comes to dividing Syria is not coming from inside Syria”.394 Dr Mansour explained that Iraqi Arabs, whether Sunni or Shia, “both want to be part of Iraq” and both “sides believe they are Iraqi”.395

286. The diffusion of power may be undesirable and undesired, but it is taking place. Mr al-Khoei informed us that maps in the region will not be agreed by “white men in suits meeting in London and Paris and drawing lines on a piece of paper and imposing them” but by “young, angry armed men on the ground who will impose, change or redraw those lines with their blood”.396 Dr Mansour pointed out that the “reluctance to recognise new states in fear of a breakdown of world order” has been leading to “de facto changes of states without this format aspect”.397

287. New actors—sub-state and non-state actors—have been carving out a role, a development which is both a symptom and a cause of the weakening of states. Dr Mansour offered an explanation:

- Sub-state actors are “trying to institute governments: they are local and trying to develop states” and it is likely that they “are on the way to becoming a state”. The Kurds in Iraq and Syria are the key example.
- Non-state actors, which can be both positive (civil society) and negative (terrorist groups) do not have “state incentives”.398

288. The picture is complicated further when entities morph from non-state actors into sub-state actors into state actors. Hezbollah, for example, is now part of the government of Lebanon. The “key is legitimacy” explained Dr Mansour: the “local population in Lebanon view Hezbollah as their government, or as their state provider of services”.399 Definitions also depends on the vantage point: therefore, as Mr al-Khoei explained, the Syrian Kurds and their allied parties were viewed as “terrorists on one side of the border and freedom fighters on the other”.400

289. The UK’s approach has been to engage without formally recognising the de facto changes. Mr Crompton acknowledged that in “many different contexts we cannot simply have a conversation with a capital anymore”. Therefore, in

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391 Q 129 (Haid Haid)
392 Written evidence from Mina Al-Oraibi and Clare Lockhart (MID0006)
393 Q 47 (Ayham Kamel)
394 Q 131 (Haid Haid)
395 Q 15 (Renad Mansour)
396 Q 131 (Hayder al-Khoei)
397 Q 14 (Renad Mansour)
398 Q 17 (Renad Mansour)
399 Q 16 (Renad Mansour)
400 Q 128 (Hayder al-Khoei)
Iraq, the UK “tried to maintain a close relationship with central government” while talking to “different communities and leaders of different political parties” and maintaining “relationships with regional governors”. In Syria, the UK was trying to “maintain a close political dialogue with the Syrian opposition”. In Libya, the UK was trying to deal with a “range of different actors”, including “different faction leaders and sometimes different militia leaders” while making efforts to “form a cohesive central Government”.401 Mr Haid thought that in Syria the UK was playing an “important” role, trying to “empower” local actors in rebel-held areas in order that they can “provide sufficient services to stabilise their areas and encourage resistance against extremist groups”.402

290. Dr Haass advised just such a flexible approach. He told us that it was not in the

“vital national interest of the United States … to make all countries in the Middle East whole … We have to be prepared to live with de facto arrangements of de facto sub-state entities, of borders that are not necessarily borders and of federalism of all sorts”.403

291. It is not a specifically UK interest that countries of the Middle East remain centralised, unitary states. The UK should not devote political will or resources to deliver the goal of unitary and fully-functioning states where this is unattainable, as could well prove to be the case in Iraq, Syria, Libya and Yemen.

292. Neither should the UK actively support this process of state unravelling. It should, however, be prepared to live with de facto arrangements and de facto sub-state entities. The problem of weak states is likely to remain part of the landscape, and often what happens at the national level has little impact at the local level.

293. The Government has to deepen its engagement beyond the state, using all the instruments available to do so. It should be a priority of UK policy to build local ties and seek the broadest range of relationships, with a range of sub-state actors. This must be a coherent Government effort, not just one undertaken by the Foreign Office.

Sub-state actors: the Kurds

294. Throughout 2015 and 2016, in Iraq and Syria, Kurdish forces won victories against Da’esh, which increased their legitimacy in the West and enabled them to expand the areas under their control, and consolidate their aspirations for greater autonomy. Dr Mansour explained that, for the Kurds, the fight against Da’esh has been “a really important moment because they are on the international scene”.404

295. Witnesses made two points about the Kurds. First, the Kurds are far from achieving their ultimate political aspirations of independent statehood, and they recognise that fact. Mr Kamel very much doubted that there will be a “Kurdistan in the region as a unitary state that combines the Kurdish people

401 Q 26 (Neil Crompton)
402 Q 124 (Haid Haid)
403 Q 60 (Richard Haass)
404 Q 13 (Renad Mansour)
across the land. The Kurds are deeply divided”. 405 Most of the Kurdish political leadership are “pragmatic” explained Ms Jane Kinninmont, Deputy Head, Middle East and North Africa, Chatham House: “They do not see that a Greater Kurdistan project is attainable, even in 10 years, and their focus is on trying to have a better life—more autonomy and more rights—at least for now”.406

296. Second, witnesses pointed to the divisions and drew distinctions between the political trajectories of the different Kurdish groups. 407 It was critical, said Dr Mansour, to distinguish between the factions in Iraq, Syria and Turkey as there is “no one set of Kurds”.408 Mr Tom Pravda, Head, HM Government’s Da’esh Taskforce and Head of Iraq Department, FCO, noted the “great divisions among different Kurdish groups”.409

Figure 7: Map of major Kurdish political movements


297. There is a particular distinction to be drawn between the Iraqi Kurds and the other groups in Syria and Turkey. 410 In Iraq, the Kurds have made progress in their political ambitions, while in Syria the Kurds have also declared their own autonomous region within Syria—Rojava—but they are far from being able to hold or govern territory. Their aspirations have also been constrained by Turkish opposition: Turkey views the Syrian Kurds as closely connected to their own domestic Kurdish terrorist group (PKK). Turkey, said Professor Umut Özkirimli, Professor of Political Science, Lund University and Senior Fellow, Sabancı University, “seems to have only one red line, which is

405 Q 48 (Ayham Kamel)
406 Q 48 (Jane Kinninmont)
407 Q 128 (Hayder al-Khoei and Haid Haid)
408 Q 13 (Renad Mansour)
409 Q 24 (Tom Pravda)
410 On the Kurdish questions see Q 13 (Renad Mansour), Q 48 (Jane Kinninmont), Q 48 (Ayham Kamel), Q 110 (Umut Özkirimli), Q 128 (Hayder al-Khoei), Q 128 (Haid Haid) and Soli Özel and Arzu Yılmaz, The Kurds in the Middle East, Stockholm Institute of Peace Research Institute, SIPRI Yearbook 2016
possible or potential Kurdish autonomy in Syria”.\textsuperscript{411} The Kurds in Turkey have political representation but there also remains a militant arm, which is proscribed as a terrorist organisation.

298. The focus in this chapter is on the Iraqi Kurds who have proven to be an inseparable part of the politics of the region, intimately connected to regional power struggles, and whose political ambitions can no longer be ignored.

\textit{Iraqi Kurds}

299. The Iraqi Kurds (and their military arm, the Peshmerga) have proven to be the most effective fighting force against Da’esh. In the wake of Da’esh’s attacks against the Kurdistan Regional Government (KRG) in 2014, and the push back by the Kurdish forces, a new 1,000-kilometre front was formed between Da’esh and the Kurdish Peshmerga in the disputed territories.\textsuperscript{412}

300. The Kurds have been able to trade their military victories for more diplomatic recognition and financial support.\textsuperscript{413} In 2015 and 2016, President Masoud Barzani, KRG, visited Riyadh, Turkey and Washington.\textsuperscript{414} Under the auspices of the fight against Da’esh, 62 countries supplied military support to the KRG and seven of those countries took a direct role in the ‘equip-train’ programme of the Peshmerga.\textsuperscript{415}

301. There is, said Mr Crompton, a “strong international view” that the Kurds should “enjoy good autonomous governing arrangements within existing borders, and Turkey, Iran and other players are comfortable with that”.\textsuperscript{416} Ms Kinninmont pointed to the practicality of regional powers; those with Kurdish factions within their local populations, like Turkey and Iran, have built good working relations with the KRG. The Turks, said Ms Kinninmont, have a “very good working relationship” with the KRG because they think they “will focus on their own autonomy and not cause trouble in Turkey”.\textsuperscript{417}

302. The Iraqi Kurds have successfully exploited this moment to build more political autonomy. Dr Mansour explained that the Kurds have “built a de facto state that has been recognised by not only the local population but the central government of Baghdad”.\textsuperscript{418} Mr Kamel thought it possible that there could be “greater Kurdish autonomy inside Iraq” which could “allow them greater control of their resources, and a legitimisation of that, with the aspiration that over the long term that could translate into independence”.\textsuperscript{419}

303. The UK calibrates its engagement with the Iraqi Kurds via the central government in Baghdad. The Kurds, said Mr Pravda, are an “Iraqi actor and part of the Iraqi effort against Da’esh specifically”. The UK is “very clear about the primacy of the government in Baghdad as the sovereign

\textsuperscript{411} Q 110 (Umut Özkirimli)
\textsuperscript{412} Soli Özel and Arzu Yılmaz, ‘The Kurds in the Middle East’, Stockholm Institute of Peace Research Institute SIPRI Yearbook 2016
\textsuperscript{413} Q 13 (Renad Mansour),
\textsuperscript{414} Soli Özel and Arzu Yılmaz, \textit{op. cit.} and website of the White House: https://obamawhitehouse.archives.gov/the-press-office/2015/05/05/readout-president-and-vice-presidents-meeting-iraqi-kurdistan-region-pre [accessed 21 April 2017]
\textsuperscript{415} Soli Özel and Arzu Yılmaz, \textit{op. cit.}
\textsuperscript{416} Q 24 (Neil Crompton)
\textsuperscript{417} Q 48 (Jane Kinninmont)
\textsuperscript{418} Q 13 (Renad Mansour)
\textsuperscript{419} Q 48 (Ayham Kamel)
government for the whole country of Iraq”. Mr al-Khoei warned the UK Government of the dangers of appearing to support “one man and one party in Kurdistan”. It seems as if President Barzani “has been given a blank cheque” by Western states, he added.421

304. **We recognise that there is a balance to be drawn between engaging with sub-state actors, and avoiding the risk of undermining the central state. Nevertheless, the Iraqi Kurds are a valuable ally, and the UK should support the Kurdistan Regional Government financially and its Peshmerga forces with military capacity. The UK should not, however, support attempts by the Iraqi Kurds to seek independence.**

**Non-state actors: terrorists**

305. The rise of non-state actors and the unfolding insurgencies in the region form a growing trend, but no regional or external power appears to have an innovative or constructive response. In Syria, Iraq, Libya and Egypt there is evidence of local insurgencies developing, driven by local grievances, which then often ally with Da’esh, the most prominent and ambitious international non-state actor.

306. While Da’esh is exceptional amongst non-state actors, its trajectory and development, and the response required, is representative. Da’esh emerged, said Mr Crompton, from the “sectarian politics in Iraq that had alienated the Sunni community”. The Minister, Mr Stewart, explained that the UK was clear that Da’esh was not a state but, by December 2014, it had succeeded in “controlling territory” that encompassed 7 million people, taken over the civil service, and “delivered water, electricity and sanitation, and ran a government taxation office”. Mr Crompton told us that there is a “military component” to the fight against Da’esh but, ultimately, the response must “resolve the underlying political problem”. Insurgent groups emerge rapidly, and it is “difficult to provide … countries with structures resilient enough to prevent that happening” said Mr Stewart. The political solutions will not be achieved rapidly.

307. Western policy, said Mr Oliver McTernan, Director, Forward Thinking, should engage with “groups that are grievance-driven but have a religious underpinning to their actions”. Mr McTernan reminded us that the key lesson from Northern Ireland, which Western nations “have failed to integrate into our current policy is engagement without preconditions”.

308. Mr McTernan surveyed examples of where Western policy had had an opportunity to engage with Islamist, non-state actors that had gained power via elections—the Muslim Brotherhood in Egypt (2011–2012), and Hamas in the Palestinian legislature (2006)—and in both cases judged Western policy unsuccessful.

309. The Muslim Brotherhood (Egypt) were “learners in how to govern” but they were “given no opportunity” to address any mistakes they might have made.

420 Q 20 (Tom Pravda)
421 Q 128 (Hayder al-Khoei)
422 Q 25 (Neil Crompton)
423 Q 206 (Rory Stewart MP)
424 Q 25 (Neil Crompton)
425 Q 206 (Rory Stewart MP)
426 Q 89 (Oliver McTernan)
Western policy, said Mr McTernan, had left “political Islam out there in the wilderness to find its own way and we will have to face the consequences in the future”.

310. The UK has not designated the Muslim Brotherhood as a terrorist organisation but the question whether, and if so, how the UK should engage with the Muslim Brotherhood is a contentious matter. During their tenure in office, actions that occurred in Egypt, such as defying the Supreme Constitutional Court’s ruling and reinstating the Islamist-dominated Parliament (10 July 2012), and issuing a decree that gave the President considerable power while also curbing the powers of the courts (21 November 2012), but later rescinded (8 December 2012), have been pointed out by critics as examples of the Brotherhood’s lack of respect for judicial independence and checks and balances within a political system.

311. Hamas, the Palestinian Sunni-Islamic fundamentalist organisation, and its military arm, has been listed as a terrorist organisation by the EU (2001). Looking at Western policy towards Hamas at the time of its election to the Palestinian legislature (2006), Mr McTernan judged that “[n]o one could accept the preconditions” that were set. Western policy, said Mr McTernan, was seen as “not expecting a result in favour of an Islamic party” and being “afraid of the consequences for the region”. Mr Levy thought it would be “wise” to “revisit the position on contacts with Hamas”. He did not think “anyone, including the Israelis actually, benefit from the position that has been taken on Hamas”.

312. Within the range of non-state jihadist actors, a distinction must be drawn between Da’esh—millenarian and brutal—and other sectarian groups that are fed by local grievances, desire power and can win electoral successes. There is an important distinction between being prepared to talk to individual members of such groups and being prepared to negotiate with them. The latter should be dependent on their willingness to renounce violence.

313. We recommend that the UK Government should be cautious in its engagement with Islamist groups. There are practical benefits to talking to those who have influence and power in the region.

427 Q 89 (Oliver McTernan)

428 Foreign Affairs Committee, ‘Political Islam’, and the Muslim Brotherhood Review (Sixth Report of Session 2016–17, HC 118)

429 Q 89 (Oliver McTernan) The preconditions, set by the Quartet, were a renunciation of violence, recognition of Israel and the acceptance of prior international agreements.

430 Q 89 (Oliver McTernan)

431 Q 174 (Daniel Levy)
CHAPTER 8: TRADE AND ECONOMIC POLICY

Post-Brexit trade policy

314. Trade policy is a powerful instrument in pursuit of British strategic interests. The Secretary of State for International Trade, the Rt Hon Dr Liam Fox MP, said that open trade, development programmes, social and political security and stability “are part of the same continuum”. The trading part maintains the free and open trading environment, reducing the factors that might cause political and economic instability which would have implications for regional security.432 The Secretary of State also saw trade as a “way of deepening strategic relationships in the longer term”.433

315. When we consider the UK’s post-Brexit trade policy, we only explore those areas relevant to the MENA, namely the Gulf and Levant states, North Africa and Iran.

Government resources

316. There are multiple aspects to a post-Brexit trade policy: negotiating a trade agreement with the EU, which will be undertaken by the Department for Exiting the EU; technical rectification of trading schedules at the World Trade Organisation (WTO); transposing existing EU trade agreements with third countries into bilateral agreements with the UK (involving more than 50 countries); and negotiating new trade agreements with countries where the EU may already be in the middle of negotiating a trade agreement (the US, India and the Gulf states for example).

317. This is an immense agenda, raising concerns about the adequacy of Government resources. The new Department for International Trade (DIT) has absorbed UK Trade and Investment (UKTI), and taken over UK Export Finance which previously sat in the Treasury, and it includes UKTI’s Defence and Security Organisation (DSO) and GREAT Campaign, which promotes trade and investment with the UK.434 Mr Peter Meyer, Chief Executive Officer, Middle East Association, noted that DIT “has been turned around so many times that there is not much continuity”, and local embassies “suffer from a lack of resources”.435 The Ennahdha Party said “[g]reater clarity on how to deal with new ministries” such as the DIT would be “hugely beneficial”.436

318. Lord Price CVO, Minister of State for Trade Policy, in his evidence to the EU Select Committee, said that a trade policy team of about 40 people (June 2016) had grown to about 110 (October 2016) and was likely to rise to about 150 people by the end of 2016.437 The EU Committee concluded:

“The Government appears to be underestimating the resources required … We urge the Government to increase significantly the capacity of the Department of International Trade and the Department for Exiting the EU, and we also call on the Government to provide a clear estimate of

432 Q 210 (Rt Hon Liam Fox MP)
433 Q 211 (Rt Hon Liam Fox MP)
434 Q 208 (Rt Hon Liam Fox MP)
435 Q 166 (Peter Meyer)
436 Written evidence from the Ennahdha Party (MID0012)
437 Q 57 (Lord Price CVO), European Union Committee, Brexit the options for trade, (5th Report of Session 2016–17, HL Paper 72)
the number of staff it will need to recruit to both departments, and the cost that this will incur”.

319. The Government has outlined an ambitious menu of post-Brexit trade deals. We reiterate the conclusions of the EU Select Committee and echo our concerns as to whether the resources available to the new Department for International Trade are yet adequate to conduct simultaneously a series of complex trade negotiations on multiple fronts.

UK-Gulf Cooperation Council trade agreement

320. The flexibility to negotiate, and the benefits that would accrue from, a Gulf-UK trade agreement has been championed as one of the opportunities of Brexit. The Prime Minister said in December 2016:

“As the UK leaves the EU, we should seize the opportunity to forge a new trade arrangement between the UK and the Gulf. This could transform the way we do business and lock in a new level of prosperity for our people for generations to come”.

321. Mr Abdeslam El-Idrissi, Director of Trade Services, Arab British Chamber of Commerce assured us that a free trade agreement (FTA) was viewed with great enthusiasm by the GCC, who saw “great potential in it”. He saw a “momentum to have a superb FTA” between the GCC and UK.

322. Other witnesses did not share the Government’s optimism as to the added benefits, primarily because there was already a far-reaching economic relationship in place between the UK and the GCC. Mr Meyer pointed out that the relationship between the UK and the Middle East has “basically been founded on hydrocarbons and defence.” Mr Meyer explained that the hydrocarbons sector is dominated by the big players (BP and Shell) which “seem to be able to do quite well” and in defence, a lot of “arrangements are government to government” i.e. excluded from a trade agreement. As for financial services, “lawyers and accountants are pretty well able to cope without too much extra help”. Ms Kinninmont did not consider an agreement necessary: much of the Gulf investment in the UK is “not in sectors oriented towards exports, such as real estate, infrastructure [and] energy”. Ms Kinninmont noted that Gulf countries are “not at all protectionist” with a common external tariff barrier of 5% on most goods. Mr El-Idrissi agreed “most GCC countries are quite easy to do business with”.

323. The point was also made implicitly by the Secretary of State, Dr Fox, when he pointed to the already prospering relationship. In 2015, UK exports to the Gulf stood at around £20 billion, which exceeded exports to China and

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440 Q 167 (Abdeslam El-Idrissi)
441 Q 165 (Peter Meyer)
442 Q 46 (Jane Kinninmont)
443 Q 166 (Abdeslam El-Idrissi)
India.\(^{444}\) Capital investment from the Gulf continues to flow into the UK, with “National Grid getting £1.4 billion from Qatar, Scotia Gas getting £621 million from the UAE” and the UK hosting the UK-Qatar investment conference in London and Birmingham (March 2017). Since June 2016, “very firm investment intentions and decisions have already been made”.\(^{445}\)

324. Dr Fox explained that the new opportunities would be in the relatively new fields of the services sector such as educational services, life sciences, healthcare, accountancy and legal services.\(^{446}\) Ms Kinninmont agreed that there might “be some good opportunities” in service sectors where the UK has specific expertise: “healthcare, education, infrastructure, construction and so forth”.\(^{447}\) Dr Fox saw this as mutually beneficial: British expertise could help “mature markets more quickly” and “help with social and economic development”.\(^{448}\)

325. The argument that the UK would have more flexibility to negotiate with the GCC countries, unfettered by the EU, has to recognise there will remain other impediments: \(^ {449}\)

- Initially, the EU’s petrochemical lobby fought against duty free access for petrochemicals, arguing that the double pricing policy of raw materials by GCC countries constituted an implicit subsidy. The petrochemical divergence was overcome when Saudi Arabia joined the WTO.

- In the early 2000s, the human rights and illegal migrations clauses embedded in the FTA were rejected by GCC states, which argued that Brussels was bringing issues to the table that were irrelevant to trade. The refusal of the GCC to pursue negotiations until they were withdrawn has stalled negotiations.

- Gulf countries have proven reluctant to move towards market-oriented reforms, leaving aside the heavy subsidisation of their energy industry. For several years the EU has postponed the negotiation of the FTA until the GCC implemented effectively a customs union.

- Negotiations have also stalled due to the GCC’s differentiated pricing of exports, lack of transparency in public procurement and barriers to entry for foreign investors in the services sector.

- The GCC also fails to behave as a unified bloc. For example, in 2004, during the negotiations with the EU, Bahrain signed bilaterally a free trade area agreement with the US without consulting other GCC members. The GCC, said Dr Davidson, “does not have a very good track record of coming to major agreements”. \(^ {450}\)

\(^{444}\) Dr Liam Fox MP, Speech to the Capital Club (Dubai), UAE, 19 September 2016: https://www.gov.uk/government/speeches/liam-foxs-speech-at-capital-club-dubai [accessed 21 April 2017]

\(^{445}\) Q 208 (Rt Hon Liam Fox MP)

\(^{446}\) Q 208 (Rt Hon Liam Fox MP)

\(^{447}\) Q 46 (Jane Kinninmont)

\(^{448}\) Q 208 (Rt Hon Liam Fox MP)


\(^{450}\) Q 31 (Christopher Davidson)
326. A particular area of concern at the EU level has been the human rights records in some Gulf countries, including women’s rights and the protection of lesbian, gay, bisexual and transgender people. Dr Fox saw trade, investment and development policy as “a tool by which we can help to shape and improve some of the political systems that lead to improvements in human rights”. Not trade alone, he clarified, but the exercise of deepening a long-term relationship, across trade, investment, development and security, could offer the UK the opportunity to influence and shape events. He admitted that the UK had not succeeded when it was seen to have a “very transactional relationship”.451

327. There is a shared desire and scope for significant growth in services between the UK and Gulf states, which have been developing their non-oil economies, and building capacity in healthcare, education and financial services. The accelerated diversification of economies across the Gulf represents a significant opportunity for British companies.

328. However, the Government’s expectations of the economic dividends of a Gulf-UK agreement in trade and services and the ease of negotiating such an agreement are over-optimistic. It is primarily a continuation of an existing UK trade and investment policy and Brexit does not necessarily offer the UK any added advantage.

329. Anticipating the possibility of public concern about a possible UK-Gulf trade agreement, we recommend that as the UK’s position evolves, the Government should produce a more comprehensive negotiating mandate, detailing the position it will take on issues such as human rights, and capital investment by the Gulf states into the UK, and publish it in advance.

Trade agreements with the Maghreb and Mashreq452

330. Brexit means that the UK will need to renegotiate its trade relations with a number of countries, such as Jordan, Morocco, Egypt, Algeria, Tunisia and Israel, all of which are currently covered by EU Association Agreements. The EU has leverage as most of the countries rely overwhelmingly on Europe for trade, but remaining European tariff barriers in agriculture are criticised by countries such as Morocco, Algeria and Tunisia. Ms Kinninmont explained that trade relations between the EU and North Africa have been hindered because “of the agricultural protectionism of southern Europe, which the UK does not have an interest in”.453

331. This offers the UK an opportunity. Dr Fox said that the ambition would be to replicate but also to “seek to liberalise” the terms of the deals where possible.454 Britain “could agree to drop or reduce tariff barriers on agricultural goods that it does not produce itself” suggested Ms Kinninmont.455 For instance, as Ms Kinninmont has explained, Tunisia is the world’s second-largest

451 Q 212 (Rt Hon Liam Fox MP)
452 The Maghreb countries include Algeria, Morocco, Libya and Tunisia and the Mashreq countries are Egypt, Jordan, Lebanon the Palestinian Territories and Syria.
453 Q 46 (Jane Kinninmont)
454 Q 210 (Rt Hon Liam Fox MP)
exporter of olive oil and has been seeking better access to EU markets, but lobbying from Greece, Spain and Italy, themselves major producers, has limited access to markets.\textsuperscript{456} Ennahdha, the Tunisian political party, also saw “numerous trade opportunities” between the UK and Tunisia across a host of sectors, including the technology, phosphate and olive oil industries.\textsuperscript{457} Mr El-Idrissi said that Morocco is a “zero carbon country” with an economy that has “done terribly well”. Algeria, he added, “is another country with a lot of potential”.\textsuperscript{458} Mr Meyer disagreed: Tunisia and Morocco are small markets; the bigger markets in North Africa are in Libya and Egypt but these have their own challenges.\textsuperscript{459}

332. There is a challenge of capacity in potential partners. Tunisia and Morocco would be negotiating with the UK while simultaneously negotiating deeper trade agreements with the EU. In October 2015, Tunisia and the EU launched negotiations for a Deep and Comprehensive Free Trade Area (DCFTA). In March 2013, negotiations on the DCFTA between the EU and Morocco were launched. On the other hand, EU trade negotiations are slow and cumbersome and the Secretary of State saw an opportunity to “expedite” that process in the bilateral negotiations.\textsuperscript{460}

333. A promising possibility for the UK’s post-Brexit trade policy will be to open up the emerging markets of North Africa. A more liberal trade policy, facilitating greater access to UK markets for agricultural products than had previously been possible within the EU, will be particularly beneficial for the economies of those countries, and contribute to their stability.

334. The challenge will be that two significant markets—Tunisia and Morocco—will be simultaneously negotiating trade agreements with the EU. In other countries, such as Jordan and Algeria, the UK will also be negotiating a series of agreements in development, migration, visas, etc. These parallel negotiations will put a strain on the infrastructure of partner countries and Government departments, which will undoubtedly delay the process.

335. There is a risk that the UK’s trade relationship with all countries of the Middle East and North Africa, where there is a preferential trading arrangement with the EU, could be disrupted by Brexit. The Government should take steps to avoid this eventuality.

Economic relations with Iran

336. A promising and large market in the region is Iran. After Saudi Arabia, Iran is the second largest economy of the MENA region with an estimated GDP in 2016 of over $400 billion.\textsuperscript{461}

337. Lord Lamont, Mr Straw and Mr Meyer were clear that there was a great deal of potential for the development of a more significant economic relationship

\textsuperscript{456} Ibid.
\textsuperscript{457} Written evidence from the Ennahdha Party (MID0012).
\textsuperscript{458} Q 166 (Abdeslam El-Idrissi).
\textsuperscript{459} Q 166 (Peter Meyer).
\textsuperscript{460} Q 211 (Rt Hon Liam Fox MP).
between the UK and Iran.\textsuperscript{462} Dr Nakhle pointed out that Iran “needs about $200 billion of investment in its oil and gas sector” including Western technology and investment to develop its production.\textsuperscript{463}

338. There has been progress. In 2016, UK exports to Iran grew by 42\% in just nine months.\textsuperscript{464} In 2015, UK exports in goods and services to Iran was worth £224 million.\textsuperscript{465} In December 2016 Iran concluded provisional agreements for foreign companies to develop its oil fields and also signed a $16.6 billion deal with Boeing to purchase 80 aircraft.\textsuperscript{466} There is further to go. Lord Lamont noted that other European countries had been more effective: “Germany’s exports [to Iran] are 20 times the level of the UK’s and France’s are something like 10 or 11 times the level”.\textsuperscript{467} The Foreign Secretary confirmed that the deal had “not yet delivered enough by way of trade between our countries”.\textsuperscript{468} Investment, said Dr Nakhle, is not going to flow in just because there are reserves; Iran too needs to act “to give investors an attractive legislative, regulatory, fiscal and contractual framework”.\textsuperscript{469}

339. Witnesses advised the UK to develop its economic relations with Iran. Mr Straw suggested that if the UK could, alongside European partners, “increase trade and investment” with Iran, “that would have quite big political consequences”.\textsuperscript{470} European countries, advised Mr Kamel, should “actively broaden their economic and political relations with Iran and stay out of any US effort to pressure the Iranian regime”.\textsuperscript{471} Mr Williams suggested that there was potential for smaller UK engineering companies to assist the Iranians with the technology and specialist equipment required to develop oil production.\textsuperscript{472} Mr Meyer saw a “lot of interest from Iran to do a deal with [the UK on] financial matters, insurance matters, PPP [public-private partnerships] and project management”.\textsuperscript{473}

340. The Secretary of State, Dr Fox, has been pushing a handful of “strategically important commercial transactions” between UK companies and Iran (Rolls Royce, British Airways and Vodafone) but if trade is to increase “all of government needs to tackle the lack of banking channels”.\textsuperscript{474} Dr Fox had commissioned a study into how the blockage could be eased, which was due in late March but had not been published as this report went to press.

\textsuperscript{462} Q 93 (Rt Hon Jack Straw), Q 156 (Lord Lamont of Lerwick) and Q 169 (Peter Meyer)
\textsuperscript{463} Q 151 (Carole Nakhle)
\textsuperscript{464} Statement by Ambassador Matthew Rycroft, UK Permanent Representative to the UN, 18 January 2017: https://www.gov.uk/government/speeches/these-actions-show-that-iran-chooses-to-complicate-not-extinguish-a-conflict-that-has-persisted-for-far-too-long [accessed 21 April 2017]
\textsuperscript{467} Q 156 (Lord Lamont of Lerwick)
\textsuperscript{468} Q 145 (Rt Hon Boris Johnson MP)
\textsuperscript{469} Q 151 (Carole Nakhle)
\textsuperscript{470} Q 93 (Rt Hon Jack Straw)
\textsuperscript{471} Q 43 (Ayham Kamel)
\textsuperscript{472} Q 151 (Stewart Williams)
\textsuperscript{473} Q 169 (Peter Meyer)
\textsuperscript{474} Q 215 (Rt Hon Liam Fox MP)
341. **The investment opportunities in Iran are significant and the UK is already losing potential market share to other European countries that are currently taking advantage of a weak UK presence.**

342. **The UK, as part of a post-Brexit trade strategy, should make trade with Iran a priority. There remain significant barriers, and easing banking restrictions and developing trade with Iran should be a post-Brexit trade priority.**

343. **To broaden UK-Iranian commercial links, the UK Government should plan a high-profile trade mission to the country, which would go some way to softening the sense of hostility from the US.**

344. **Finally, improving trade relations with Iran will also require a broader effort to improve UK soft power in the country. The Government should consider a strategy—utilising British cultural assets such as music, football and art—that may go some way to counter the animosity towards the UK still present in some parts of Iranian society.**

**Economic diversification of oil-producing states**

Figure 8: Remaining years of oil and gas reserves

Libya
Kuwait
Iraq
UAE
Qatar
Saudi Arabia
Yemen
Algeria
Oman
Bahrain

Remaining years based on 2012 production levels

- **Gas**
- **Oil**


345. **Oil-producing states of the region face multiple challenges—declining oil reserves, the need to diversify their economies away from hydrocarbons, and creating jobs in line with rapidly growing populations but with reduced resources to cushion those reforms. Even while some countries have ample oil resources and fiscal buffers, in a number of countries, resources could be depleted in the foreseeable future, and in many oil-exporting countries**
social contracts are maintained by oil revenues, which have been adversely affected by lower oil prices.475

346. Dr Nakhle explained that the “destructive forces of the shale revolution have changed the existing structure of the oil market” and the “fight against climate change” had rendered “rather meaningless the long-term value of oil and gas reserves”. Furthermore, the “demographic pressures are quite large” and the “heavy reliance on the oil and gas sector will fail to create enough jobs for these people”, she added.476

347. This has led to a wider questioning of the social contract delivered by the Gulf States. Dr Davidson said countries like Saudi Arabia and Bahrain “have managed simply to buy time”.477 Dr Bassam Fattouh, Director, Oxford Institute for Energy Studies, said that despite its strengths so far, the social contract “may not prove sufficiently resilient to accommodate further sharp price increases, faster and deeper structural reforms” without the “governments introducing compensatory schemes to offset the negative impact on welfare”.478 Mr Kamel explained that the next 15 years will see the GCC countries:

“borrowing more money and using some of their reserves to finance their budget deficits as well as cutting costs. The challenge is one of becoming societies and economies where the state does not provide all the services, benefits and welfare systems that it once did, while at the same time preventing the rise of any channel of opinion or participation in these societies.”479

348. Countries are acting. The “old cliché of economic diversification” has “acquired a new sense of urgency” said Dr Nakhle.480 Mr Williams saw a “real push by these countries for diversification” galvanised by the “shock of the drop” of oil prices.481 There has been some progress but it has been uneven: 482

- Bahrain has developed its banking and financial services—particularly Islamic banking—and increased non-oil exports and non-oil output.
- The UAE has built a commercial ship repair sector.
- Kuwait has raised the prices for kerosene and diesel, further energy prices reforms are under review and is also considering the introduction of a profit tax.
- Oman is updating its labour law governing Omani and foreign workers, by amending issues related to labour disputes resolution, working conditions in the private sector and working conditions for women.

475 Written evidence from Bassam Fattouh (MID0011), Q 31 (Christopher Davidson), Q 42 (Ayham Kamel), Q 148 (Carole Nakhle) and Q 148 (Stewart Williams)
476 Q 148 (Carole Nakhle)
477 Q 31 (Christopher Davidson)
478 Written evidence from Bassam Fattouh (MID0011)
479 Q 42 (Ayham Kamel)
480 Q 148 (Carole Nakhle)
481 Q 148 (Stewart Williams)
• Vision 2030 Saudi Arabia: Amongst the wide range of ambitious reforms set out in Vision 2030, it is intended that 5% of the national oil company, Saudi Aramco, will be floated on the stock market.\textsuperscript{483} Saudi Arabia has been implementing labour market reforms including streamlining regulations. Regulations on female employment have been eased, with more sectors being opened for their employment. Saudi Arabia is also trying to increase funding to small and medium-sized enterprises (SMEs), by establishing dedicated SME units in banks and a national credit bureau to support increased SME access to finance.

349. “Given the importance of Saudi Arabia in the global economic systems” and its central role in the region, “the Saudis need to get this right” writes Professor Paul Sullivan. A collapse of the Saudi social contract and instability there “could pull in not only its neighbours in the region, but a good part of the global economic, energy and political system”. It would be to the benefit of other actors to “make sure this economic and social transformation program succeeds”, he notes.\textsuperscript{484}

350. The reforms are ambitious and witnesses saw a useful role for the UK. Mr El-Idrissi said the UK could facilitate public-private partnerships, as well as assist the process of privatisation of state-owned companies: “We have the skillset. We can show them how to do it”.\textsuperscript{485} Mr Meyer agreed that many countries wanted to “encourage the private sector”. The UK is “very good with that, so those are certainly sectors to concentrate on”.\textsuperscript{486}

351. Dr Fox also saw opportunities for the UK, providing finance, construction, engineering capacity and education. He offered some examples: the University of South Wales was setting up a new centre focused on advanced aerospace engineering in Dubai; and a British company had won the contract for the new Duqm port in Oman.\textsuperscript{487}

352. \textit{Given the importance of Saudi Arabia as a global economic oil producer and regional security actor, the capacity of Saudi Arabia to succeed in its ambitious transformation is of critical importance to UK interests. It should be a priority of the UK’s approach to the Gulf to support the Saudi transformation.}

353. \textit{The UK has a potential role in fostering more economic dynamism in oil-producing countries. The UK should consider a series of programmes, with private sector participation, to prepare young people in those countries to find employment in the private sector.}

354. \textit{There is also an opportunity for government-to-government cooperation in supporting these countries to build more efficient, transparent and streamlined government administrations.}

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\textsuperscript{483} Q 166 (Abdeslam El-Idrissi)
\textsuperscript{485} Q 168 (Abdeslam El-Idrissi)
\textsuperscript{486} Q 165 (Peter Meyer)
\textsuperscript{487} Q 213 (Rt Hon Liam Fox MP)
CHAPTER 9: FUTURE BRITISH POLICY

British smart power

355. The Middle East is in profound turmoil, experiencing shifts in power, violence at the state level and within states and the disruptive forces of technology. We have already explored these changes. In this chapter we consider how British policy can be most effectively deployed in the Middle East, in the light of the immense changes that have taken place and continue to take place.

356. We agree with the premise that to argue “for an ambitious set of objectives … is to embrace fantasy over reality”.488 Furthermore, as Dr Haass writes, to argue for “an approach steeped in modesty is not to suggest that the region should be avoided or ignored. It cannot be”.489 The task for British policy makers is to discern “what is both desirable and feasible at a cost that is acceptable”.490

357. Effective and respected power in the Middle East must encompass both hard and soft aspects. “Military power”, explained Mr Fletcher, “must be deployed sparingly, but never neglected”.491 Mr Straw agreed that in order for “soft power to be most effective, you need the potential of hard power behind it”.492 Equally, hard power alone is insufficient, said Mr Fletcher: “effective modern power also requires that a nation’s talent, creativity and cultural magnetism is put into battle”.493

Dilemma of democracy promotion

358. The space for reform in the region is narrowing. The turbulence of the region, and authoritarian dictatorships which consider themselves to be in existential crises, allow little scope for regimes to undertake democratic reforms.

359. External powers do not have the appetite or capacity. The US was “out of [the] business” of “large-footprint, large-scale, ambitious programmes to remake countries” said Dr Haass.494 The historical experience of attempting to create participatory systems of government in the region has been a demanding and not very successful project. Past attempts have “often made the situation worse, not better” said Mr Rory Stewart OBE MP, Minister of State, Department for International Development (DFID).495 Ideally, he said, the aim would be to create a more stable, peaceful and democratic region but “our power, our knowledge and our legitimacy are limited”. Finally, ambitious reform is expensive and, in many cases, UK funds will “amount to 0.1% or 0.2% of the GDP of that country at most, often significantly less”.496

489 Ibid., p 269
490 Ibid., p 272
491 Tom Fletcher, Naked Diplomacy: Power and Statecraft in the Digital Age (London: William Collins, 2016), p 147
492 Q 95 (Rt Hon Jack Straw)
493 Tom Fletcher, op. cit. p 147
494 Q 63 (Richard Haass)
495 Q 201 (Rory Stewart MP)
496 Q 196 (Rory Stewart MP)
The difficulty is that long-term political stability and the furtherance of the UK’s long-term national security interests may require political and social change now. British security alliances—with Egypt and Saudi Arabia for example—have been dependent on those authoritarian leaders delivering a social contract to their people, which they are increasingly struggling to do. Unsustainable social contracts are raising the prospect of another round of protests and revolutionary change. The Minister warned against being too “complacent in believing that authoritarian regimes are necessarily the best long-term guarantees of stability”; the forms of stability provided by Saddam Hussein and Muammar Gaddafi “were inherently fragile and unsustainable”.

Witnesses were divided on how the UK should manage the question of political reform. Some witnesses advised us that security and stability should be the UK’s focus. Dr Haass said the challenge at the moment was for policy makers to “somehow manage to keep things from deteriorating”. Mr Straw explained that in this highly fraught region, the “idea that suddenly all those complicated societies and conflicts are going to be resolved and be on the sunlit uplands is nonsense” but it is possible to “get to a better level of stability”.

This is also the desire from the region. Sir Derek Plumbly, former British Ambassador to Egypt and Saudi Arabia and former UN Special Coordinator for Lebanon, pointed out that the “yearning for stability is fairly strong”, particularly in Syria and Yemen, and “people sort of cling on for fear of something worse”. Young people at the roundtable also noted their

497 Exact figures can be found in Appendix 4
498 Q 201 (Rory Stewart MP)
499 Q 65 (Richard Haass)
500 Q 94 (Rt Hon Jack Straw)
501 Q 3 (Sir Derek Plumbly)
anxieties and clearly advocated security and stability over democracy. One viewpoint was, “I would rather be oppressed but safe”. Mr Stephens said that young people looked at experiments with increased democracy and were disenchanted: they consider Iraq and “want nothing to do with it” and are disappointed with Kuwait’s “constant instability and inability to pass laws”. There is a view that stability requires a “strong man in charge … who can try to represent the will of the people.”

On the other hand, international NGOs disagreed. Mr Tim Holmes, Regional Director for the Middle East, Oxfam, informed us of the findings of Oxfam, in Iraq, Yemen and Lebanon, where participants in a survey “felt that democracy should be prioritised over stability”. According to Ms Rebecca Crozier, Middle East and North Africa Programme Manager, International Alert’s work in Tunisia and Libya with more than 700 people found that the “main concern was not insecurity or terrorism … but economic issues, such as having a job and a good education system”. International Alert would prefer the Government “to focus much more on the idea of long-term stability” and invest in the region for the long-term. Mr Haid explained that those who join Da’esh have been “marginalised for years”, they “have no rights” and for years have been “exposed to these grievances and have been forced to deal with them”. Western policy, Mr Haid advised, must address the “root causes of the problems”. UK intervention, Mr Haid advised, should focus “more on protecting rights and principles”.

Ultimately, said the Minister, the UK had to “accept that there are many things that we would like to do that we cannot do”. In a hypothetical universe, if “you could turn someone else's country into Sweden, that would be a good thing” but “we cannot do it”. “It is not that we ought not to do it but that we cannot” he added.

In the long term, in a more pacific context, the aim would be to actively encourage more democracy; but that is not the situation we find ourselves in. The priority is now to encourage efforts at stabilising the region.

We sympathise with the demands for the UK to undertake an expansive role in the region but it is not possible. External powers cannot on their own build a peaceful Middle East, which respects the rule of law.

Nevertheless, the UK and other international partners have also to recognise that the approach of prioritising short-term stability is just that, short-term. Cycles of revolution, counter-revolution and insecurity will continue to be generated by many countries of the Middle East, continuing to pose an ongoing challenge for policymakers.

502 See Appendix 3
503 Q 30 (Michael Stephens)
504 Q 103 (Tim Holmes)
505 Q 103 (Rebecca Crozier)
506 Q 102 (Rebecca Crozier)
507 Q 127 (Haid Haid)
508 Q 123 (Haid Haid)
509 Q 128 (Haid Haid)
510 Q 196 (Rory Stewart MP)
511 Q 201 (Rory Stewart MP)
The picture is not unremittingly gloomy. Three countries in particular—Jordan, Tunisia and Morocco—have been undertaking political reform, albeit haltingly. These islands of potential stability and moderation must be reinforced, especially as they face challenging macro-economic conditions.

The approach of the UK must be two-fold. Mr Stewart explained that the UK can make progress where “a country itself genuinely wishes to reform”. Therefore, despite the fact that corruption or the absence of the rule of law or governance might be fundamental problems in the region, they cannot be solved by “turning up with a best-practice model, doing capacity building and demanding political will”.

Mr Stewart added that the “only hope of having an influence with a limited budget in a complicated world is by concentrating it”. Mr Fletcher said that the UK needs to “focus on doing a few things really well and not try to do everything”. In the case of Lebanon, those things were “army, education and investment in entrepreneurship and the creativity of the next generation”. In Jordan, explained Mr Stewart, the King and Queen were focused on education as one of “their big priorities” and therefore the UK had an opportunity “to put quite a significant DfID programme behind education reform in Jordan”.

Tunisia

Tunisia is prominent as an exceptional case in the region: an Arab secular democracy, the one democratic success to emerge from the Arab spring but also the country with the dubious distinction of exporting the highest number of Da’esh foreign fighters.

Mr Nicholas Abbott, Head, Middle East and North Africa, Central Operations Department, FCO, hailed Tunisia as the one “country that came out of the Arab spring that remains a democracy and is seen as a beacon”. Ms Kinninmont agreed that there were opportunities to strengthen Tunisia which was the “only democratic success story” but “one that faces serious threats from its economic weaknesses”. The advice of Mr Paul Danaher, former BBC Middle East Correspondent, was to “champion … what is going on in Tunisia”.

The Minister cautioned, however, the UK is “not the major player in Tunisia which is traditionally part of la Francophonie”—countries with close relations with France. The priority for Tunisia would be to “make sure that it has macroeconomic stability and can deliver basic services”.

The difficulty is that challenges overlap, undermine progress in other areas and have domino effects. The Ennahdha Party wrote to us that the challenges facing Tunisia were multiple: “significant macroeconomic challenges persist”; “31% of youth … are currently unemployed” with many

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512 Q 196 (Rory Stewart MP)
513 Q 202 (Rory Stewart MP)
514 Q 180 (Tom Fletcher CMG)
515 Q 196 (Rory Stewart MP)
516 Q 26 (Nicholas Abbott)
517 Q 46 (Jane Kinninmont)
518 Q 69 (Paul Danahar)
519 Q 202 (Rory Stewart MP)
living in “historically disenfranchised inner regions”; and corruption is pervasive. Combating corruption is “key to effective governance”, a matter of public concern and a “trigger for the revolution” in 2011. These difficulties are “inter-connected and fallout from one sphere can impact other areas”. The sum is “an unsustainable democracy that will soon face rising popular unrest”.

**Jordan**

375. Mr Stewart also drew our attention to Jordan where the UK had an interlocutor it could work with:

“The Jordanian Government now understand that there needs to be very significant reform to the economy and to their education system. They get the big macroeconomic picture, which is that the additional million Syrian refugees could be a real bonus—a young, talented labour force”.

376. Mr Stewart set out UK priorities in Jordan. He pointed to the Jordan compact, presented at the London Conference 2016, which set out a series of commitments, focused on economic development and education, aimed at supporting Jordan manage the influx, and improve the lives of, refugees. It was also a “strategic decision” by the Government “to invest heavily in supporting the governance of Lebanon, Jordan and Turkey”. A particular focus was on education, which was a priority of the King and Queen of Jordan, and also supported by the US. He added that “Jordan needs many more school buildings, a lot of which will have to be provided by the US, but it also needs teachers simply to turn up on time and teach”.

**Morocco**

377. Witnesses also pointed to the legislative reforms being undertaken by Morocco. Mr Luther explained that there are legislative reforms underway in Morocco, such as the anti-corruption institute, which also helps with legislative reform. The counter picture was that “when individuals in Morocco are imprisoned for exposing corruption, that same institution … is silent”. Morocco has also undertaken significant economic reforms. Mr El-Idrissi informed us that Morocco is a “zero carbon country … a manufacturing and trading country, and it has become the doorway to Africa”. The “UK is also Morocco’s seventh largest export market” according to Dr Fox. This economic interdependence offers the UK a base for more political and economic engagement.

378. The UK should focus its efforts on sustaining and building the momentum for reform in moderate countries. Countries such as Tunisia, Morocco and Jordan have made important commitments towards domestic reform. Yet all these countries now face significant...
macro-economic pressures and security concerns that could lead to backsliding.

379. Additional trade incentives and aid compacts are necessary to build the momentum for political and economic reforms in Tunisia, Jordan and Morocco.

380. It will often be advantageous for UK funds to be deployed in cooperation with EU funds. As part of its post-Brexit negotiations, the UK should accord a high priority to ensuring that the UK and EU can continue close working arrangements in trade and development policy in the MENA region.

Soft power

381. Britain commands significant soft power—defined as the attraction and persuasive powers of the UK. We do not address the question of British soft power generically, which has already been reported on by the House of Lords Select Committee on Soft Power and the UK’s Influence. In this report, we consider soft power only as it pertains to the MENA.

382. Mr Adrian Chadwick, Regional Director, Middle East and North Africa, British Council, listed British soft power assets:

“English as the language of business and the internet … a globally significant cultural sector—arts, national museums, literature and music. We have world-class science and research—no country has more Nobel laureates. We have the second-ranked higher education system in the world. One in four world leaders or heads of government studied in the UK … we have more universities in the top 100 than any country apart from the US”.

383. Mr Crompton added: “London is an enormously attractive destination for people from the region” and “the diversity of our society is enormously attractive”. Young people, who participated in our roundtable, even when they voiced unease about British foreign policy, unambiguously valued and admired British soft power, in particular its educational institutions, the BBC and Premier League football.

384. The benefits to the UK were clear. Mr Chadwick pointed to research conducted by the University of California in 2015 which showed that a “1% increase in soft power ranking equates to a 0.8% increase in exports”. British Council research has shown that in Saudi Arabia, there was “a 16% increase in levels of trust in the UK as a result of … cultural engagement”. Soft power works, said Mr Crompton, in “the sense that Britain is seen as a country that is heavily engaged in the region and wants to make it better”.

385. The UK possesses two publicly-funded institutions of particular note with extensive reach and of immense attraction in the region: the BBC World Service and the British Council.

530 Q 80 (Adrian Chadwick)
531 Q 27 (Neil Crompton)
532 See Appendix 3
533 Q 80 (Adrian Chadwick)
534 Q 27 (Neil Crompton)
386. The British Council has an extensive network of 1,600 staff, with a presence in 17 countries across the MENA region. Teaching English is one of the institution’s main goals: approximately 85,000 people a year in the MENA came into the British Council’s offices to learn English, with the vast majority being young, with a “good gender balance”. A further 3.1 million use the British Council’s free Facebook English support platform, and another 700,000 accessed the free online learning tools.

387. Beyond that, the British Council’s strategy in the region focuses on what might be broadly called the ‘skills of public life’, which include debating skills and supporting civic and social activism. Young Arab Voices, for example, is a programme through which 100,000 young people in the region have had the chance to receive training in debate. More than 10,000 people have been involved in debating societies in universities and civil society organisations. The British Council’s Mobaderoon Network (“Initiative Takers”) is a network of 4,000 young civil society activists operating with the displaced and diaspora Syrian community. Since 2011, the network has delivered more than 100 social action projects, including education for children, community peace-building and women’s economic empowerment.

388. One of the UK’s most attractive and valuable assets in the region is the BBC World Service. According to a Chatham House survey of opinion formers, 68% concluded that the BBC World Service was the “strongest advocate of the United Kingdom’s national interest”. The BBC World Service provides a valued and beneficial service to the region, acting as a source of authoritative news. The aim is to “provide trusted and engaging current affairs and news. Impartiality and trust are key”, explained Mr Tarik Kafala, Controller, Language Services, BBC World Service. Young people at the roundtable pointed to the BBC as their most trusted source of news and information, particularly as governments in the region become more controlling.

389. The BBC World Service intends to expand its service in the region in the following ways:

- “launching eleven new language services and enhancing World Service English … including in the Arab world, Africa, Russia and surrounding countries”;
- “investment in the Arabic service’s digital offer and the existing TV and radio output will be strengthened” including new radio programmes in the region such as the launch of Radio Maghreb in 2017 and a focus on the Gulf in the dawn programme; and
- building an “enhanced newsgathering network covering North Africa and the Gulf [which] will include new specialist regional correspondents, a new bureau in Tunisia and an expanded bureau and staffing in Beirut including a bi-lingual Iran correspondent”.

535 Written evidence from the British Council (MID0004)
536 Q 80 (Adrian Chadwick)
537 Written evidence from the British Council (MID0004)
538 Q 82 (Adrian Chadwick)
539 Written evidence from the British Council (MID0004)
540 Q 80 (Tarik Kafala)
541 Q 80 (Tarik Kafala)
542 See Appendix 3
543 Written evidence from the BBC World Service (MID0009)
390. Mr Chadwick drew our attention to *Monocle* magazine’s survey of soft power that found a “slight relative decline” in the UK’s soft power influence.\(^{544}\) According to the 2016/17 Monocle Soft Power Survey, the “[EU] referendum vote, fuelled by anti-immigrant rhetoric has damaged the UK’s standing around the world”. The evidence from the survey is also that countries which develop more illiberal attitudes can lose out in the soft power rankings.\(^{545}\)

*Role of the Government*

391. The most valuable role for the Government in supporting UK soft power would be to expand educational opportunities for young people in the region. We addressed this in Chapter 4.

392. Outside of education, the role of the Government is more limited. Mr Sam Farah, Head of Arabic Service, BBC World Service, said that, particularly in the Arab World, “soft power is at its most effective when it is seen as independent from the state and government of the country it originates from”. Therefore, while the BBC World Service is an instrument of UK soft power, it is not explicitly discussed or factored into the BBC World Service’s own strategy. Soft power, as Mr Farah put it, “is not what we do”.\(^{546}\)

393. Mr Fletcher, nevertheless, favoured a convening role for the Government: soft power strategies should be built into country plans, with the FCO acting to harness the full spectrum of Britain’s cultural and creative brand.\(^{547}\) The British Council suggested that the UK would “benefit from clearer long term approaches and funding streams for soft power … integrating soft power approaches into its overall policy toward the region”.\(^{548}\)

394. Access to the region requires that the learning of Arabic, and Farsi, should be supported by the Government. A 2015 British Council analysis judged Arabic to be the second most important language, based on the needs of business, emerging high growth markets and future trade relations, for future UK security, prosperity and influence.\(^{549}\) Mr Chadwick said supporting the learning of Arabic was about “emphasising the need for British young people to be internationally mobile, open and curious to the world”.\(^{550}\) Arabic is also necessary for diplomacy: the proliferation of local actors, said Mr Crompton, “puts a premium on language skills” and within local embassies “most people have to speak it well”.\(^{551}\)

395. There is a deficit of Arabic speakers in the UK, identified by both the BBC World Service and the British Council. Mr Kafala said that there was a “shortage of British-trained Arabists”.\(^{552}\) According to Mr Farah, the majority of the BBC World Service’s “attempts to recruit Arabists or Arabic

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\(^{544}\) Q 88 (Adrian Chadwick)

\(^{545}\) ‘Soft Power Survey 2016/17, *Monocle*, Issue 99, November 2016. We note that the Monocle survey is just one of many soft power rankings, which use various methodologies.

\(^{546}\) Q 80 (Sam Farah)


\(^{548}\) Written evidence from the British Council (MID0010)


\(^{550}\) Q 83 (Adrian Chadwick)

\(^{551}\) Q 26 (Neil Crompton)

\(^{552}\) Q 83 (Tarik Kafala)
speakers in the UK end up not being fruitful and then we have to go to the region".553

396. The learning of Arabic has been increasing in schools; it is widely taught in 172 UK schools belonging to the Association of Muslim Schools; Arabic was the eighth most popular language at GCSE (2012) and was the tenth most popular language at A-level (2012).554 The majority of these schools, however, are Muslim faith schools and the Modern Standard Arabic taught is the classical Arabic of the Qu’ran; Arabic is taught on the official timetable of only a handful of mainstream schools.555 According to the British Council approximately 4% of English secondary schools teach Arabic, often as an extra-curricular subject.556 A review commissioned by the British Council noted that opportunities for “other pupils to learn Arabic and become acquainted with Arabic cultures are far and few between.557 The British Council noted that “Arabic is offered at degree level by 15 UK universities.”558 This is out of a total of 167 universities.559

397. **The Government should invest in a long-term plan to increase the UK’s expertise and proficiency in Arabic, considering options to set up Arabic excellence programmes which could be run in conjunction with organisations such as the British Council, for example along the same lines as the Mandarin Excellence Programme.**560

398. **In an age and a region where reliable information is at a discount, the UK Government must continue to invest in and expand the BBC World Service and institutions such as the British Council.**

399. **There is a real risk that if Britain should convey the wrong or insensitive impression in seeking to control immigration, its soft power and standing could be diminished across the Arab world.**

**Hard power**

400. British military power is present in the Middle East:561

- Defence attachés are permanently resident in Bahrain, Cyprus, Israel, Iraq, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, Turkey, and the UAE. The UK has approximately 2,800 military personnel stationed in the Middle East.

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553 Q 86 (Sam Farah)
554 Written evidence from the British Council (MID0010)
555 *The teaching of Arabic language and culture in UK schools*, review commissioned by the British Council, Alcantara Communications, November 2016: [https://www.britishcouncil.org/sites/default/files/research_into_arabic_language_and_teaching_in_uk_schools_conducted_by_alcantara_communications_2016.pdf](https://www.britishcouncil.org/sites/default/files/research_into_arabic_language_and_teaching_in_uk_schools_conducted_by_alcantara_communications_2016.pdf) [accessed 26 April 2016]
556 Written evidence from the British Council (MID0010)
557 *The teaching of Arabic language and culture in UK schools*, review commissioned by the British Council, Alcantara Communications, November 2016: [https://www.britishcouncil.org/sites/default/files/research_into_arabic_language_and_teaching_in_uk_schools_conducted_by_alcantara_communications_2016.pdf](https://www.britishcouncil.org/sites/default/files/research_into_arabic_language_and_teaching_in_uk_schools_conducted_by_alcantara_communications_2016.pdf) [accessed 25 April 2016]
558 Written evidence from the British Council (MID0010)
559 Higher Education Statistics Agency, ‘Higher education providers’: [https://www.hesa.ac.uk/support/providers](https://www.hesa.ac.uk/support/providers) [accessed 25 April 2017]
560 The Mandarin Excellence Programme is an intensive language programme, funded by the Department for Education, delivered by the UCL Institute of Education in partnership with the British Council, which will see at least 5,000 school pupils in England on track to achieve fluency in Mandarin Chinese by 2020.
561 Written evidence from the Ministry of Defence (MID0014)
The UK has had a continuous naval presence in the Gulf since the 1980s. It now includes a frigate or destroyer, as well as four mine-clearing vessels. HMS Ocean—the largest operational warship in the Royal Navy—recently concluded a deployment in the region.

In the Gulf the UK has been establishing a permanent defence presence in the region through a new permanent naval facility in Bahrain (HMS Juffair), a new Regional Land Training Hub in Oman, a new British Defence Section in Dubai, and further developing a UK presence at Minhad airbase in the UAE.

The UK has been deploying short-term training teams. In the last 12 months, the UK has deployed almost 100 training teams in the region. In 2018, Exercise SAIF SAREEA 3 will take place—the largest UK-Omani exercise for 15 years.

The key issue, though, is not military capacity but rather how, if and when that power is wielded. Syria, where the international community did not intervene with boots on the ground (2013); Iraq, where it did (2003); and Libya, where the international community focused on an aerial campaign, enforcing a no-fly zone (2011), provide salutary lessons.

The dispiriting consequences of US policy, summarised by Philip Gordon, is worth recalling:

“In Iraq, the US intervened and occupied, and the result was a costly disaster. In Libya, the US intervened and did not occupy and the result was a costly disaster. In Syria, the UN neither intervened nor occupied, and the result is a costly disaster”.

Iraq 2003 and Mosul 2014

In Iraq, the costs—blood and treasure—and the consequences of the 2003 intervention have been well-rehearsed and we do not repeat them here. One lesson from Iraq is that a military intervention has to be led by the leaders of the country and “the day after” needs to be accorded high political priority.

The lessons have been learnt, confirmed Mr Pravda, and conditioning international policy in Mosul, where an international coalition has been fighting to liberate Mosul from Da’esh. The battle for Mosul has been fought by an unlikely alliance of over 60 international partners, led by the US, with the Iraqis leading a coalition on the ground of Iraqi security forces, Kurdish Peshmerga and Iranian trained Shia militias. The international community “have all understood, and the Iraqis absolutely understand, that the way this operation is carried out will be critical to what happens the day after” said Mr Pravda.

The “day after” was high on the UK’s agenda. Mr Pravda set out the planning: thought had been given to how Mosul would be liberated by “Mosul-Iraqi security forces rather than a Shia militia or Kurdish forces”; consideration was being given to the short-term efforts to make the city fit to live in (clearing

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563 Q 25 (Tom Pravda)
565 Q 25 (Tom Pravda)
explosives, providing housing and infrastructure); the UN was taking the lead on humanitarian efforts; and there was a long-term question of ensuring that Iraq “has the resources at a macro level to underpin reconstruction” and giving the Iraqi government “the sort of financial stability” required to build “political reconciliation”.

*Syria 2013*

406. Throughout 2011 and 2012, in response to President Assad’s escalating and bloody reaction to the Syrian revolt, the Prime Minister David Cameron argued for a more aggressive policy. In August 2012, President Obama issued a warning to President Assad that if he used chemical weapons, he would cross a red-line that would warrant US military action. In August 2013, according to Western intelligence services and an independent UN commission, President Assad fired rockets armed with sarin gas on Ghouta, a suburb of Damascus, killing nearly 1,400 civilians, including more than 400 children. On 29 August 2013, the British Parliament voted against a limited strike against President Assad. President Obama subsequently determined that he would not authorise a strike and rather seek Congressional approval. It soon became apparent that Congress was ambivalent about a strike against Assad. In the meantime, President Putin brokered a deal which would engineer the removal of most of Syria’s chemical weapons arsenal.

407. Those decisions have had an impact on the UK’s credibility in the region. The UK, Professor Özkirimli informed us, “is no longer seen as a major actor” by Turkey, because of its reluctance to “engage in the Middle East, especially with the Syrian question”. The Foreign Secretary said of the significance of the vote by the British Parliament: “At that moment we effectively played ourselves out of the game in Syria”. The Minister, Mr Ellwood, agreed: “in August 2013, we blinked … and the UK failed to act where it wanted to”. He added: “There are occasions where we need to be cognitive in our thoughts but robust in our actions as well.”

408. UK and US intervention is now taking place via the Global Coalition against Da’esh. The US has been engaging in air-strikes against Da’esh in Syria and Iraq and attempting to arm and train moderate opposition groups. The UK flies sorties against Da’esh both in Iraq and Syria. The Foreign Secretary said the UK was “engaged very heavily in attacking Da’esh in Iraq” having flown almost 1,200 sorties and was “instrumental in driving Da’esh out of its stronghold in Mosul”.

409. The cases of Syria (2013), Libya (2011) and Iraq (2003) have offered lessons both about intervention and non-intervention that must be learned.

410. Syria demonstrates that a limited use of force, without the willingness to commit troops on the ground, is often an ineffective position, especially when the regime and external actors, such as Russia and Iran, are willing to bear significant military costs. Syria makes the

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566 Q 25 (Tom Pravda)
567 Jeffrey Goldberg, ‘The Obama Doctrine’, *The Atlantic*, April 2016:  
568 Q 109 (Umut Özkirimli)
569 Q 143 (Rt Hon Boris Johnson MP)
570 Q 198 (Tobias Ellwood MP)
571 Q 143 (Rt Hon Boris Johnson MP)
case that inaction and non-intervention are also policy choices, with consequences.

411. Iraq demonstrates that military intervention has costs, unexpected consequences and risks of escalation; external powers that undertake intervention must be prepared to meet those costs and prepare to engage for the long term.

412. It is, however, only a credible position for the UK if it is willing in certain circumstances to contribute to the use of force, particularly in support of a rules-based international order.
SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Profound disorder of the new Middle East

1. Traditional patterns of hierarchy and power have been challenged throughout the Middle East, leaving a turbulent scene which has failed to meet the expectations and hopes of the Arab spring but is suffering from the aftershocks from that political upheaval. (Paragraph 29)

2. The new Middle East is likely to remain unstable and chaotic with its future evolution uncertain. Surveying the immense challenges of the region, while it is clear that they can be in some degree influenced, the prospect for resolving them are remote. (Paragraph 30)

3. The UK needs a renewed approach to the region, one more responsive to the shifts and changes, which questions the assumptions that have guided British policy for the last century. As the UK enters a new post-EU era, it is timely for the UK to review some long-standing premises and attitudes. (Paragraph 34)

4. The strategic importance of the Middle East region to the West, traditionally centred, in the earlier part of the century, around oil and trade routes to India and the Orient, has now given way to new and different concerns, more connected with global security threats, including from migration, and the contagions of terrorism and sectarian violence. (Paragraph 35)

5. Overall, the new Middle East requires a new mind-set in policy circles. First, it should no longer be seen as an area to exert power in the name of traditional interests. Second, it is not an area where the dependence on American predominance can any longer be assumed. Third, it is no longer a region of purely Western concern. The concerns are global; Russia has returned to the region and China’s involvement is growing. (Paragraph 36)

6. In this continuing period of turmoil and upheaval, the UK can do little to shape the region on its own. British policy, ideally, must still be to foster and pursue its national interests, but also to contain the threat of state conflict, and encourage stability in the region while supporting democratic institutions where they emerge. We consider, in this report, what such a policy might entail, and how to give it shape and momentum. (Paragraph 37)

Current policy and current illusions

7. The risks stemming from the Middle East to our own commercial interests and security necessitate the UK’s continued engagement. The UK does not have the luxury, as the US does, of reducing its exposure to, or engagement with, this neighbouring region. (Paragraph 49)

8. The UK should be active in insisting on the human rights obligations of countries in the MENA region to protect the rights of Christians and other minorities. (Paragraph 50)

9. The UK has been muddled in its response to the Arab Spring. In the Gulf states, it has continued to favour the stability offered by hereditary family rulers, and undergirded a system of authoritarianism. By contrast, in Egypt and in Syria, British policy has, at times, sided with the revolutionary movements against the old regimes. (Paragraph 59)
10. As political authority is in turmoil in the Middle East, the UK has a practical interest in the stability of key states with whom the UK has shared interests, including counter-terrorism and the security of oil supplies through the Gulf. (Paragraph 60)

11. Whether the UK's engagement has been in the best interests of those countries depends on a fine judgement of whether it is the conservation of power, or reform, or a mixture of both, which provides the most stability and least dangerous future. (Paragraph 61)

12. We endorse the military action by the US as justified and proportionate given that the Syrian regime has reneged on its obligations under the Chemical Weapons Convention, and given the evident Russian determination to block any action in the UN Security Council. (Paragraph 67)

13. British confusion and disarray in Syria is a reflection of the contradictions in international policy on President Bashar al-Assad, which must be rethought. The objective of displacing Assad, as a prerequisite of any settlement, with the current means and policy, has proved unachievable. Despite the chemical attack and the recent escalation of military conflict Assad, with Russian support, remains in power. (Paragraph 68)

14. There are no good options available in Syria but the recent chemical attack, the urgency of the humanitarian crisis, with the potential to destabilise the EU and countries of the Middle East with refugees, requires the UK, and international community, to redouble its efforts to achieve a negotiated solution. (Paragraph 69)

15. The UK’s sales of arms, which are being used against civilians in Yemen, are generating a considerable degree of public concern. The UK's position of relying on assurances by the Saudis and Saudi-led review processes is not an adequate way of implementing the obligations for a risk-based assessment set out in the Arms Trade Treaty. (Paragraph 86)

16. We recognise the importance of arms sales to the UK economy and the Gulf. Arms sales, however, must take place with regard for international obligations. (Paragraph 87)

17. The Government must demonstrate that its private diplomacy is working. If not, it should speak out clearly at the UN, within the Human Rights Council, condemning violations, intentional or not, in clear terms. Finally, as a last resort, we recommend that the UK should send a political signal, for instance, by suspending some key export licences, where there is a risk that they could be used in violation of international humanitarian law in Yemen. (Paragraph 88)

18. More broadly, UK sales of arms to countries of the region that might use those arms to commit human rights violations is a troubling aspect of British policy. After Brexit, as the Government seeks to deepen its security and trade relations with the Gulf states, the UK's dependence on arms exports is likely to increase as will the consequences of those sales. The sharpness of these dilemmas will increase pressures for a reconsideration of the way the UK applies its own export guidelines. (Paragraph 89)

19. As part of its post-Brexit foreign policy, the Government should commit to reviewing how Government departments and ministers meet the criteria for arms exports. Decision-making procedures must be more transparent
and demonstrate unequivocal adherence to international law. Such a review would send a clear political signal that UK foreign policy under the new Government will not be business as usual. (Paragraph 90)

20. The significance of Brexit on the Middle East is, on balance, less than elsewhere. Policy in the region relies on bilateral relationships and security commitments. Nevertheless, the UK will need to work closely with the main European powers in order to craft a policy that covers the entire region, securing UK access to countries where it is not historically represented and continued cooperation with EU development instruments. (Paragraph 104)

21. After Brexit, ensuring that the UK has strong bilateral relations with key European partners will be critical. France, in particular, as one of Europe’s most effective diplomatic and military powers, and a country with a historic role in the region, is likely to be the UK’s most important partner in the MENA. (Paragraph 105)

22. In the sphere of development policy, both UK and EU policy could be diminished by Brexit: the EU’s large aid budget and global reach provides the UK with economies of scale, and European Commission programmes will be bereft of one of its largest contributors. There is a mutual benefit to close cooperation. We urge the UK Government to ensure that arrangements are put in place to ensure that the UK and EU continue to work closely on development policy in the MENA. (Paragraph 106)

Social change, communications and demography

23. The trend whereby ambassadors in post have active Twitter feeds and a social media presence is to be encouraged. There are two risks: that ambassadors can perhaps act too autonomously or that they are not sufficiently active. We recommend that all ambassadors should be offered guidance in advance of taking up a post, on how they can most effectively make use of social media. (Paragraph 122)

24. The internet provides an abundance of information, but much of it of dubious provenance and accuracy. In an era of “fake news”, reliable and timely information is essential. Traditional sources of reliable news, such as the BBC World Service, have a critical role to play and should therefore continue to be strongly supported. In addition, how UK ambassadors can counter fake news should form part of the training. (Paragraph 123)

25. There is both an opportunity and a demand for the UK to revitalise its diplomacy amongst young people of the region. Many young people desire and welcome a relationship with the UK that engages with British culture, not just politics. (Paragraph 132)

26. In the longer run, it is through support for the expansion of educational opportunities that outside powers, especially the UK, may have an effective stabilising role in the region. (Paragraph 133)

27. The UK should continue to welcome and encourage young people from the MENA to study in the UK, increasing our influence amongst future leaders and decision makers, and fostering a generation that could be a positive force for change. (Paragraph 134)

28. There is a risk that the current anti-immigration discourse and tightening visa controls could damage the UK’s influence and standing in the region.
The Government should redouble its efforts to communicate clearly that the UK is open to foreign students, and to facilitate visa access. It is in the UK’s national interest to ensure that foreign higher education students are encouraged and attracted to study in the UK. (Paragraph 135)

29. As a first constructive step, the UK Government should cease to treat higher education students, for public policy purposes, as economic migrants, and should take them out of net migration calculations. (Paragraph 136)

**External powers**

30. The new US administration has the potential to destabilise further the region. On seeking a two-state solution and relations with Iran, the US President has taken positions that are unconstructive and could even escalate conflict. (Paragraph 151)

31. The mercurial and unpredictable nature of policy-making by President Trump has made it challenging for the UK Government to influence US foreign policy so far, a challenge that is not likely to ease. (Paragraph 152)

32. The scope of Russia’s ambitions in the Middle East remains unclear. As a result, the UK’s engagement with Russia, while desirable, must continue to be cautious. Where it is possible to secure closer cooperation with Russia on specific objectives in the region, including stability in Syria and Libya, counter-terrorism, making progress on the Israeli-Palestinian dispute and supporting the Iran nuclear deal, this should be pursued. (Paragraph 161)

33. The Middle East is not, in itself, a national security priority for the Russians, unlike Ukraine and the European neighbourhood. Russia has been able both to foment and to exploit the turbulence of the Middle East to gain considerable authority and leverage, which it is likely to wish to trade off in the global arena. (Paragraph 162)

34. The UK should pursue a transactional approach with Russia in the Middle East, willing to cooperate on specific objectives, but this should not be at the expense of compromising on Ukraine or Crimea. (Paragraph 163)

35. The UK finds itself sharing interests—open markets, political stability and security of energy supplies—with China. The One Belt/One Road Initiative is a significant opportunity for UK commercial interests, which it should support. We find the UK Government prepared to exploit the possible opportunities. (Paragraph 173)

36. If the US retreats in its support for the international rules-based order and in its security commitments to the Middle East, China’s economic interests may necessitate deeper political engagement. (Paragraph 174)

37. There is no indication that the rise of China in the Middle East will be threatening to British interests. China is likely to want to manage its rise without clashing with any other external power, balancing regional relationships, without committing to onerous security burdens, and acting through multilateral institutions. There should therefore be scope for closer cooperation between the UK and China. (Paragraph 175)

38. The rules-based international order is a pivotal part of the UK’s foreign policy. As state power declines, the UK can only wield power via other alliances and international institutions, new and old. (Paragraph 185)
As a member of NATO, the G-7, the G-20, UNSC and the Commonwealth (and for the moment the EU), Britain has a seat at virtually every international table of consequence. The UK must wield its diverse range of memberships in the world’s most influential organisations effectively. It should also work closely with its leading European allies, in particular France and Germany, on issues in the Middle East. (Paragraph 186)

Over the past 100 years, Britain and France have often been at loggerheads in the Middle East behaving as rivals even when they were allies elsewhere in the world. The time for that is past. The right objective in future should be for the two countries to work together and thus to maximise their influence in a region of great importance to both of them. (Paragraph 187)

The UK should support UN efforts at mediation in Yemen, Libya and Syria in particular urging Saudi Arabia to demonstrate its constructive cooperation with the peace process in Yemen. The resources of the international community will be critical to rebuild Yemen, Libya and Syria. (Paragraph 188)

Evolution of Middle East states

The Saudi-Iranian rivalry is mostly, but not exclusively, political in nature. A sectarian dimension helps fuel the conflict and domestic factors contribute heavily. Such tensions are likely to endure and could even increase as the Iran nuclear deal nears the end of its term and both countries compete on the international oil market. The interests of the international community are ill-served by this rivalry. (Paragraph 193)

Power amongst states in the region is in flux and the UK cannot rely merely on its traditional allies. The UK will have to be more transactional and adroit in its partnerships in the region. Despite concerns about their own internal political direction, the UK will have to maintain productive working relationships with principal regional countries. (Paragraph 199)

It is not in the UK’s interest, nor in that of its principal allies, that the Saudi-Iranian rivalry should continue to spread geographically and to intensify. A determined effort should be made to develop a modus vivendi between these important Middle East states, perhaps in a wider regional framework. (Paragraph 200)

It is in the UK’s interests to pursue a better relationship with Iran, and we recommend that this should be a key priority for the UK. More cooperative political and economic engagement will also depend on Iran ceasing its campaign of harassment against British-Iran dual nationals, in particular in the case of Mrs Nazanin Zaghari-Ratcliffe. (Paragraph 205)

The Trump administration is unlikely to try to destroy the Iran deal, but the administration is also unlikely to take any steps to facilitate more effective sanctions relief to Iran. This will be a grave impediment to the sustainability of the Iran nuclear deal and it will mean that Iran’s ongoing frustration with opening Western markets will continue. A strategic opportunity will be lost as Iran looks to non-Western powers, like China and Russia, which will be able to develop faster and more extensive trade relations, opening new channels for financing trade and investment. (Paragraph 216)

Relations between Iran and the West, and the future of the Iran nuclear deal, are imperilled by the political context in 2017: a hostile US administration;
impending elections in Iran; and European supporters of the deal such as France and the UK consumed by their own internal political debates. (Paragraph 217)

48. The interests of the UK Government are clear. The UK should continue to support the Iran nuclear deal, whether or not it is supported by the US. It will have to work closely with its European partners, and Russia and China, to ensure the sustainability of the deal. The UK must also be more transparent and vocal in its support, especially within the UNSC. (Paragraph 218)

49. There is sufficient international support to ensure that the Trump administration will not be able to resurrect the international coalition to rebuild sanctions or impose new ones on Iran. (Paragraph 219)

50. Nevertheless, US sanctions remain a serious impediment to opening up the banking sector, and attracting new finance and investment into Iran. The UK, alongside its European partners, should consider active measures to ease banking regulations and to open up new sources of finance and investment to Iran. This policy would make it more attractive for Iran to persevere with the JCPOA, however unhelpful US actions may be. (Paragraph 220)

51. The international community is limited in its capacity to respond to Iranian provocation in the region, but the approach by the US has a dangerous escalatory logic. (Paragraph 228)

52. We recommend that the external parties to the Iran nuclear agreement should find a way to discuss amongst themselves any hostile foreign policy actions by Iran in order to form a united and proportionate international position on Iranian actions. (Paragraph 229)

53. A proportionate and effective response to Iranian provocation will include the parties to the Iran nuclear agreement agreeing their collective position, exerting private diplomacy with the Iranians, setting clear red lines and agreeing on the diplomatic and financial measures to respond to Iranian actions. It will also have to recognise that Iran has legitimate security interests and needs to be recognised as having a role as a regional power. (Paragraph 230)

54. The UK has so far demonstrated little capacity to influence the position of the US bilaterally, and must now act closely with European allies in order to do so. (Paragraph 231)

55. Action should be taken by the parties to the Iran nuclear deal to consider what will follow it. These will have to include robust monitoring mechanisms and sufficient inducements to make it attractive to Iran. (Paragraph 237)

56. The terms of the Iran nuclear deal could be broadened into an international standard, making Iran less of a special case. We urge the UK Government to extend some energetic diplomacy to secure backing amongst the P5 of the UN Security Council to explore such ideas. (Paragraph 238)

57. The UK has a crucial interest in maintaining a clear-eyed but close relationship with the Gulf monarchies. As political authority collapses in many Middle East countries, the UK needs a good working relationship with the remaining stable countries. We also recognise the shared interests: defence sales, non-defence commercial interests and trade, the fight against terrorism, and security of energy supply throughout the Gulf. (Paragraph 247)
58. Nevertheless, despite some minor improvements, many countries of the region continue to remain repressive. On key issues of public and parliamentary concern, the Government has not been able to demonstrate that private diplomacy has been able to influence the direction of policy. (Paragraph 248)

59. The UK has to go to considerably further lengths to improve transparency and accountability around its relationships in the Gulf. The UK has not taken the opportunity to set out a clear assessment of its objectives in the region, to which it can be held to account. (Paragraph 249)

60. A negotiated two-state outcome remains the only way to achieve an enduring peace that meets Israeli security needs and Palestinian aspirations for statehood and sovereignty, ends the occupation that began in 1967, and resolves all permanent status issues. We condemn the continuing Israeli policy of the expansion of settlements as illegal and an impediment to peace. (Paragraph 266)

61. On its current trajectory, the Israeli-Palestinian dispute is on the verge of moving into a phase where the two-state solution becomes an impossibility and is considered no longer viable by either side. The consequences would be grave for the region. The resolution of the Israeli-Palestinian dispute must remain high amongst British foreign policy priorities. The Government should be more forthright in stating its views on these issues despite the views of the US administration. (Paragraph 267)

62. The aim at this juncture is to ensure that the climate for diplomacy does not degrade any further. (Paragraph 268)

63. In the absence of US leadership, it is time for the Europeans to play a more active role. The UK should support European diplomacy, including the French-led initiative. The International Conference intends to meet again at the end of 2017 and the UK should undertake to support it meaningfully, both politically and financially. It is also an opportunity to bring moderate states of the region on board to build a broad coalition of international support. (Paragraph 269)

64. The balance of power in the delivery of peace lies with Israel. If Israel continues to reduce the possibilities of a two-state solution, the UK should be ready to support UNSC resolutions condemning those actions in no uncertain terms. The Government should give serious consideration to now recognising Palestine as a state, as the best way to show its determined attachment to the two-state solution. (Paragraph 270)

65. The process of building more multilateral structures in the region is a long-term one. The process of working within institutional structures helps produce progressive changes in the economic sphere and can help strengthen rules of conduct in the political sphere. (Paragraph 277)

66. Since the smaller Gulf states have demonstrated more economic dynamism and political flexibility in recent years, assisting these countries with further economic integration could help them move towards closer working relations. Here British trade policy can be a useful tool. (Paragraph 278)

Beyond the state

67. It is not a specifically UK interest that countries of the Middle East remain centralised, unitary states. The UK should not devote political will or
resources to deliver the goal of unitary and fully-functioning states where this is unattainable, as could well prove to be the case in Iraq, Syria, Libya and Yemen. (Paragraph 291)

68. Neither should the UK actively support this process of state unravelling. It should, however, be prepared to live with de facto arrangements and de facto sub-state entities. The problem of weak states is likely to remain part of the landscape, and often what happens at the national level has little impact at the local level. (Paragraph 292)

69. The Government has to deepen its engagement beyond the state, using all the instruments available to do so. It should be a priority of UK policy to build local ties and seek the broadest range of relationships, with a range of sub-state actors. This must be a coherent Government effort, not just one undertaken by the Foreign Office. (Paragraph 293)

70. We recognise that there is a balance to be drawn between engaging with sub-state actors, and avoiding the risk of undermining the central state. Nevertheless, the Iraqi Kurds are a valuable ally, and the UK should support the Kurdistan Regional Government financially and its Peshmerga forces with military capacity. The UK should not, however, support attempts by the Iraqi Kurds to seek independence. (Paragraph 304)

71. Within the range of non-state jihadist actors, a distinction must be drawn between Da'esh—millenarian and brutal—and other sectarian groups that are fed by local grievances, desire power and can win electoral successes. There is an important distinction between being prepared to talk to individual members of such groups and being prepared to negotiate with them. The latter should be dependent on their willingness to renounce violence. (Paragraph 312)

72. We recommend that the UK Government should be cautious in its engagement with Islamist groups. There are practical benefits to talking to those who have influence and power in the region. (Paragraph 313)

Trade and economic policy

73. The Government has outlined an ambitious menu of post-Brexit trade deals. We reiterate the conclusions of the EU Select Committee and echo our concerns as to whether the resources available to the new Department for International Trade are yet adequate to conduct simultaneously a series of complex trade negotiations on multiple fronts. (Paragraph 319)

74. There is a shared desire and scope for significant growth in services between the UK and Gulf states, which have been developing their non-oil economies, and building capacity in healthcare, education and financial services. The accelerated diversification of economies across the Gulf represents a significant opportunity for British companies. (Paragraph 327)

75. However, the Government’s expectations of the economic dividends of a Gulf-UK agreement in trade and services and the ease of negotiating such an agreement are over-optimistic. It is primarily a continuation of an existing UK trade and investment policy and Brexit does not necessarily offer the UK any added advantage. (Paragraph 328)

76. Anticipating the possibility of public concern about a possible UK-Gulf trade agreement, we recommend that as the UK’s position evolves, the Government
should produce a more comprehensive negotiating mandate, detailing the position it will take on issues such as human rights, and capital investment by the Gulf states into the UK, and publish it in advance. (Paragraph 329)

77. A promising possibility for the UK's post-Brexit trade policy will be to open up the emerging markets of North Africa. A more liberal trade policy, facilitating greater access to UK markets for agricultural products than had previously been possible within the EU, will be particularly beneficial for the economies of those countries, and contribute to their stability. (Paragraph 333)

78. The challenge will be that two significant markets—Tunisia and Morocco—will be simultaneously negotiating trade agreements with the EU. In other countries, such as Jordan and Algeria, the UK will also be negotiating a series of agreements in development, migration, visas, etc. These parallel negotiations will put a strain on the infrastructure of partner countries and Government departments, which will undoubtedly delay the process. (Paragraph 334)

79. There is a risk that the UK's trade relationship with all countries of the Middle East and North Africa, where there is a preferential trading arrangement with the EU, could be disrupted by Brexit. The Government should take steps to avoid this eventuality. (Paragraph 335)

80. The investment opportunities in Iran are significant and the UK is already losing potential market share to other European countries that are currently taking advantage of a weak UK presence. (Paragraph 341)

81. The UK, as part of a post-Brexit trade strategy, should make trade with Iran a priority. There remain significant barriers, and easing banking restrictions and developing trade with Iran should be a post-Brexit trade priority. (Paragraph 342)

82. To broaden UK-Iranian commercial links, the UK Government should plan a high-profile trade mission to the country, which would go some way to softening the sense of hostility from the US. (Paragraph 343)

83. Finally, improving trade relations with Iran will also require a broader effort to improve UK soft power in the country. The Government should consider a strategy—utilising British cultural assets such as music, football and art—that may go some way to counter the animosity towards the UK still present in some parts of Iranian society. (Paragraph 344)

84. Given the importance of Saudi Arabia as a global economic oil producer and regional security actor, the capacity of Saudi Arabia to succeed in its ambitious transformation is of critical importance to UK interests. It should be a priority of the UK's approach to the Gulf to support the Saudi transformation. (Paragraph 352)

85. The UK has a potential role in fostering more economic dynamism in oil-producing countries. The UK should consider a series of programmes, with private sector participation, to prepare young people in those countries to find employment in the private sector. (Paragraph 353)

86. There is also an opportunity for government-to-government cooperation in supporting these countries to build more efficient, transparent and streamlined government administrations. (Paragraph 354)
Future British policy

87. In the long term, in a more pacific context, the aim would be to actively encourage more democracy; but that is not the situation we find ourselves in. The priority is now to encourage efforts at stabilising the region. (Paragraph 365)

88. We sympathise with the demands for the UK to undertake an expansive role in the region but it is not possible. External powers cannot on their own build a peaceful Middle East, which respects the rule of law. (Paragraph 366)

89. Nevertheless, the UK and other international partners have also to recognise that the approach of prioritising short-term stability is just that, short-term. Cycles of revolution, counter-revolution and insecurity will continue to be generated by many countries of the Middle East, continuing to pose an ongoing challenge for policy makers. (Paragraph 367)

90. The UK should focus its efforts on sustaining and building the momentum for reform in moderate countries. Countries such as Tunisia, Morocco and Jordan have made important commitments towards domestic reform. Yet all these countries now face significant macro-economic pressures and security concerns that could lead to backsliding. (Paragraph 378)

91. Additional trade incentives and aid compacts are necessary to build the momentum for political and economic reforms in Tunisia, Jordan and Morocco. (Paragraph 379)

92. It will often be advantageous for UK funds to be deployed in cooperation with EU funds. As part of its post-Brexit negotiations, the UK should accord a high priority to ensuring that the UK and EU can continue close working arrangements in trade and development policy in the MENA region. (Paragraph 380)

93. The Government should invest in a long-term plan to increase the UK’s expertise and proficiency in Arabic, considering options to set up Arabic excellence programmes which could be run in conjunction with organisations such as the British Council, for example along the same lines as the Mandarin Excellence Programme. (Paragraph 397)

94. In an age and a region where reliable information is at a discount, the UK Government must continue to invest in and expand the BBC World Service and institutions such as the British Council. (Paragraph 398)

95. There is a real risk that if Britain should convey the wrong or insensitive impression in seeking to control immigration, its soft power and standing could be diminished across the Arab world. (Paragraph 399)

96. The cases of Syria (2013), Libya (2011) and Iraq (2003) have offered lessons both about intervention and non-intervention that must be learned. (Paragraph 409)

97. Syria demonstrates that a limited use of force, without the willingness to commit troops on the ground, is often an ineffective position, especially when the regime and external actors, such as Russia and Iran, are willing to bear significant military costs. Syria makes the case that inaction and non-intervention are also policy choices, with consequences. (Paragraph 410)
98. Iraq demonstrates that military intervention has costs, unexpected consequences and risks of escalation; external powers that undertake intervention must be prepared to meet those costs and prepare to engage for the long term. (Paragraph 411)

99. It is, however, only a credible position for the UK if it is willing in certain circumstances to contribute to the use of force, particularly in support of a rules-based international order. (Paragraph 412)
APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF
INTEREST

Members

Baroness Coussins
Lord Grocott
Lord Hannay of Chiswick
Baroness Helic
Baroness Hilton of Eggardon
Lord Howell of Guildford (Chairman)
Lord Inglewood
Lord Jopling
Lord Purvis of Tweed
Lord Reid of Cardowan
Baroness Smith of Newnham
Lord Wood of Anfield

Declarations of interest

Baroness Coussins
Vice Chair, All-Party Parliamentary Group on the United Nations
Vice Chair, All-Party Parliamentary Group on the British Council
Co-Chair, All-Party Parliamentary Group on Modern Languages

Lord Grocott
None relevant to inquiry

Lord Hannay of Chiswick
Co-Chair, All-Party Parliamentary Group on the United Nations
Co-Convenor, All-Party Parliamentary Group on Global Security and Non-Proliferation

Baroness Helic
None relevant to inquiry

Baroness Hilton of Eggardon
None relevant to inquiry

Lord Howell of Guildford
Member of Advisory Committee to the Kuwait Investment Office UK
Member of the Advisory Board, Crystol Energy
Chairman of the Windsor Energy Group

Lord Inglewood
Member, Advisory Board of Knowledge City, Cairo

Lord Jopling
Member of the Court, York University
Member of UK delegation to the NATO Parliamentary Assembly
Visited Egypt, Saudi Arabia and Turkey in 2016 as a member of a NATO Parliamentary delegation
Vice-President of NATO Parliamentary Assembly
Chairman, Democratic Sub-Committee of Civilian Aspects of Security

Lord Purvis of Tweed
Travelled to Bahrain, Oman, Lebanon, Jordan, Israel, Palestine and Iraq conducting governance support and training, and fact finding
Specific interest area: Iraq
Associate with Global Partners Governance Limited in respect of their Foreign and Commonwealth Office contract to provide training for the Iraq Council of Representatives

Lord Reid of Cardowan
None relevant to inquiry

Baroness Smith of Newnham
Senior Lecturer in International Relations and co-director of a part-time Master of Studies programme at Cambridge University, some of the participants of which are from the MENA region.
Co-Secretary of the All-Party Parliamentary Group for the Armed Forces.
Member of the Armed Forces Parliamentary Scheme. Visited Bahrain in 2016 as part of the Scheme.

Lord Wood of Anfield
Chair, United Nations Association UK (unpaid)

A full list of Members’ interests can be found in the Register of Lords’ Interests: http://www.parliament.uk/mps-lords-and-offices/standards-and-interests/register-of-lords-interests

Specialist Advisor
Dr Simon Mabon
None relevant to inquiry
APPENDIX 2: LIST OF WITNESSES

Evidence is published online at http://www.parliament.uk/power-in-middle-east and available for inspection at the Parliamentary Archives (020 7219 3074).

Evidence received by the Committee is listed below in chronological order of oral evidence session and in alphabetical order. Those witnesses marked with ** gave both oral and written evidence. Those marked with * gave oral evidence and did not submit any written evidence. All other witnesses submitted written evidence only.

Oral evidence in chronological order

* Sir Derek Plumbly, former British Ambassador to Egypt and Saudi Arabia and former UN Special Co-ordinator for Lebanon QQ 1–10

* Dr Renad Mansour, Asfari Fellow, Middle East and North Africa Programme, Chatham House QQ 11–19

* Professor Ali Ansari, Professor of Iranian History, Director of the Institute for Iranian Studies, University of St Andrews

* Mr Neil Crompton, Director, Middle East and North Africa, Foreign and Commonwealth Office QQ 20–29

* Mr Nicholas Abbott, Head, Middle East and North Africa, Central Operations Department, Foreign and Commonwealth Office

* Mr Tom Pravda, Head of HM Government’s Da’esh Taskforce and Head of Iraq Department, Foreign and Commonwealth Office

* Dr Christopher Davidson, Reader in Middle East Politics, Durham University QQ 30–35

* Mr Michael Stephens, Research Fellow for the Middle East, Royal United Services Institute QQ 36–48

* Lord Williams of Baglan, Former UN Under-Secretary-General and UK Special Adviser on the Middle East

* Ms Jane Kinninmont, Deputy Head, Middle East and North Africa, Chatham House

* Mr Ayham Kamel, Director, Middle East and North Africa, Eurasia Group

* Mr Henry Wilkinson, Head of Intelligence and Analysis, Risk Advisory Group QQ 49–54

* Professor Kerry Brown, Director, Lau China Institute, King’s College London

* Dr Richard Haass, President, Council on Foreign Relations QQ 55–71
Mr Paul Danahar, Former BBC Middle East Correspondent  
Mr Nicolas Pelham, Middle East Affairs Correspondent, the Economist  
Dr Ahmed Al Hamli, President, TRENDS Research & Advisory  
Mr Adrian Chadwick, Regional Director, Middle East and North Africa, British Council  
Mr Oliver McTernan, Director, Forward Thinking  
Mr Tarik Kafala, Controller, Language Services, BBC World Service  
Mr Sam Farah, Head of Arabic Service, BBC World Service  
Rt Hon Jack Straw, former Foreign Secretary (2001–06), former shadow Deputy Prime Minister (2010), former MP (1979–2015)  
Ms Rebecca Crozier, Middle East and North Africa Programme Manager, International Alert  
Mr Philip Luther, Middle East and North Africa Research and Advocacy Director, Amnesty International  
Mr Tim Holmes, Regional Director, Middle East, Oxfam  
Professor Umut Özkirimli, Professor of Political Science, Lund University and Senior Fellow, Sabanci University  
Dr Dmitri Trenin, Director, Moscow Center, Carnegie Endowment for International Peace  
Mr Hayder al-Khoei, Research Director, Centre for Shia Studies; Visiting Fellow, European Council of Foreign Relations  
Mr Haid Haid, Associate Fellow, Chatham House  
Rt Hon Boris Johnson MP, Secretary of State, Foreign and Commonwealth Office  
Sir Simon McDonald, Permanent Under Secretary, Foreign and Commonwealth Office  
Dr Christian Turner CMG, Acting Political Director, Foreign and Commonwealth Office  
Dr Carole Nakhle, Energy Economist, Crystol Energy  
Mr Stewart Williams, Vice-President, Wood Mackenzie  
Rt Hon Lord Lamont of Lerwick, UK Trade Envoy to Iran
* Mr Peter Meyer, Chief Executive Officer, Middle East Association  
QQ 165–171

* Mr Abdeslam El-Idrissi, Director of Trade Services, Arab-British Chamber of Commerce  
QQ 172–182

* Mr Daniel Levy, President, US-Middle East Project  

* Mr Tom Fletcher CMG, Former UK Ambassador to Lebanon

* Mr Mark Fitzpatrick, Executive Director, International Institute for Strategic Studies-Americas  
QQ 183–189

** Mr Tobias Ellwood MP, Minister for the Middle East and North Africa, Foreign and Commonwealth Office  
QQ 190–195

* Mr Neil Bush, Head of Arabian Peninsula and Iran Department, Foreign and Commonwealth Office

* Mr Michael Howells, Head of Near East Department, Foreign and Commonwealth Office

* Mr Rory Stewart OBE MP, Minister of State, Department for International Development  
QQ 196–207

* Mr Matthew Wyatt, Deputy Director, Middle East and North Africa Department, Department for International Development

* The Rt Hon Dr Liam Fox MP, Secretary of State, Department for International Trade  
QQ 208–217

* Mr Jamie Munk, Lawyer, Department of International Trade Legal Advisors

* Dr Jon B Alterman, Director, Middle East Programme, Centre for Strategic and International Studies  
QQ 218–226

Alphabetical list of all witnesses

* Mr Hayder al-Khoei, Research Director, Centre for Shia Studies and Visiting Fellow, European Council of Foreign Relations (QQ 122–133)  
Americans for Democracy & Human Rights in Bahrain (ADHRB)  
MID0007

* Amnesty International (Phillip Luther) (QQ 101–113)  

* Professor Ali Ansari, Professor of Iranian History, Director of the Institute for Iranian Studies, University of St Andrews (QQ 11–19)  

* Arab-British Chamber of Commerce (Abdeslam El-Idrissi) (QQ 165–171)

* Lord Williams of Baglan (QQ 36–48)  
Bahrain Institute for Rights and Democracy  
MID0008

** BBC World Service (Sam Farah; Tarik Kafala) (QQ 72–100)  
MID0009
** British Council (Adrian Chadwick)(QQ 72–100)  

* Professor Kerry Brown, Director, Lau China Institute, King's College London (QQ 49–54)  

* Carnegie Endowment for International Peace (Dmitri Trenin) (QQ 114–121)  

* Centre for Strategic and International Studies (Jon B Alterman) (QQ 218–226)  

* Council on Foreign Relations (Richard Haass) (QQ 55–71)  

* Crystol Energy (Carole Nakhle)(QQ 148–164)  

* Mr Paul Danahar (QQ 55–71)  

* Dr Christopher Davidson, Reader in Middle East Politics, Durham University (QQ 30–35)  

* Department for International Development (Rory Stewart MP OBE; Matthew Wyatt) (QQ 196–207)  

* Department for International Trade (The Rt Hon Dr Liam Fox MP; Jamie Munk) (QQ 208–217)  

Ennahdha Party  

* Eurasia Group (Ayham Kamel) (QQ 36–48)  

* Mr Tom Fletcher CMG (QQ 172–182)  

* Foreign and Commonwealth Office (Nicholas Abbott; Neil Bush; Neil Crompton; Tobias Ellwood MP; Michael Howells; The Rt Hon Boris Johnson MP; Sir Simon McDonald; Tom Pravda; Christian Turner CMG) (QQ 20–29) (QQ 134–147) (QQ 190–195)  

* Forward Thinking (Oliver McTernan) (QQ 72–100)  

* Mr Haid Haid, Associate Fellow, Chatham House (QQ 122–133)  

Institute for State Effectiveness  

* International Alert (Rebecca Crozier) (QQ 101–113)  

* International Institute for Strategic Studies-Americas (Mark Fitzpatrick) (QQ 183–189)  

Mr Antoun Issa, Senior Editor, The Middle East Institute (submitted in personal capacity)  

* Ms Jane Kinninmont, Deputy Head, Middle East and North Africa, Chatham House (QQ 36–48)  

* Lord Lamont of Lerwick, UK Trade Envoy to Iran (QQ 148–164)  

* Dr Renad Mansour, Asfari Fellow, Middle East and North Africa Programme, Chatham House (QQ 11–19)
* Middle East Association (Peter Meyer) *(QQ 165–171)*
  Ministry of Defence

* Oxfam (Tim Holmes) *(QQ 101–113)*
  Oxford Institute for Energy Studies

* Professor Umut Özkirimli, Professor of Political Science, Lund University and Senior Fellow, Sabanci University *(QQ 101–113)*

* Mr Nicolas Pelham, the Economist *(QQ 55–71)*

* Sir Derek Plumbly *(QQ 1–10)*

* Risk Advisory Group (Henry Wilkinson) *(QQ 49–54)*
  Dr David Roberts, Royal College of Defence Studies, King’s College London (Submitted in personal capacity)

* Royal United Services Institute (Michael Stephens) *(QQ 30–35)*
  Dr Jan Selby, Professor of International Relations and Director of the Sussex Centre for Conflict and Security Research, University of Sussex (submitted in personal capacity)

* The Rt Hon Jack Straw *(QQ 72–100)*

* TRENDS Research & Advisory (Ahmed Al Hamli) *(QQ 72–100)*

* US-Middle East Project (Daniel Levy) *(QQ 172–182)*

* Wood Mackenzie (Stewart Williams) *(QQ 148–164)*
APPENDIX 3: ROUNDTABLE DISCUSSION

On 24 November 2016, the International Relations Committee held a roundtable meeting with 19 young people, chosen from 14 countries (Egypt, Iraq, Israel, Jordan, Kuwait, Lebanon, Morocco, Oman, Palestine, Saudi Arabia, Syria, Turkey, Tunisia and the United Arab Emirates). The event was held under the Chatham House Rule.

In the interests of anonymity, the countries are not specified but it should be noted that participants were often speaking of their own particular country and took pains to make that distinction.

We are grateful to all those who took part in the discussion.

Part I: Domestic public engagement

Participants sought their news from a wide range of sources, including international news and local news outlets, social media and radio. Social media is the most important source of information and news. The favoured choice of social media varied from country to country with Facebook and Twitter predominating in some countries but participants also referred to local bloggers. There was a recognition that many of the traditional and established news sites were controlled by established authorities or political factions, putting forward a particular view. The difficulty of finding informed and objective sources of news was noted.

Many discussions on politics and activism on political issues have moved to the online sphere but while there were diverse sites, the capacity of governments to control and contain the independence of these sites has also increased. Many governments in the region have responded adroitly to the online media landscape; opening their own social media sites; imposing legislation that has curtailed the independence and capacity of social media sites and expanding their capacity to block and ban foreign media sites. Social media activists and journalists have also been arrested and prosecuted.

The BBC—its news service and the Arabic and Persian arms of the BBC World Service—were widely followed. In some countries the BBC was perceived to be neutral but, in others, it was seen as British and political. Broadly speaking, however, the BBC was trusted as a source of news, political analysis and a site for opposing voices. One widely shared view was that the “BBC Arab service was trusted above any other news outlet”. It was noted that other foreign media—RT for example—were increasing in popularity. On the other hand, in some countries, there was general distrust of all foreign media.

All of the young people were concerned about the politics of their region. As one participant put it “politics is not a choice but more of an imperative”. Many young people follow politics and engage via social media. This does not necessarily translate into action. The capacity to be more politically active was constrained by the domestic political context; examples were provided of politically active social media activists arrested or attacked by extremists. The space for pluralism was declining. There was also frustration that political engagement, in some countries, had not been translated into results and many young people have “lost faith after all these years”.

The status and role of women varied across the region. In some countries there has been progress in the education and political participation of women. Women are active on social media. Social and cultural norms, however, are constraints—for
example, prohibitions on driving (in Saudi Arabia), women cannot go out alone at night, do not often have leadership roles and are valued less in the job market.

**Part II: Reform agenda**

Corruption and the need for good governance were highlighted as key areas for reform. Widespread corruption affected jobs, the issuance of driving licences and was present in “every kind of dealing”. “Corruption has caused many of the disasters” affecting the region including Da’esh, sectarianism and instability within countries.

Many young people believed it important that there should be collective civil society movements. It was suggested that the UK development assistance should focus on local engagement rather than implementing a UK-centric view of development. Many governments of the region were suspicious of non-profit organisations and stymied their attempts to raise funding from the UK.

Water security was noted as an issue in several countries. It was suggested that, for some countries, this was a national security issue. Issues such as the environment, urban spaces and waste were all issues on which young people were active.

A widely held view was that people in the region would prioritise stability over democracy and political rights. Stability and security were considered to be more of a priority than the nuances of left/right policy discussions. The disruption in Iraq and Syria were seen as warnings of the danger of revolutionary activity—a narrative that is also populated by governments. The priority of many young people in the region is to have a good life, a family and good jobs. The predominant view was “I don’t care that I can speak if I can’t eat” and “I would rather be oppressed but safe”.

Various forms for the political organisation state was put forward. Some young people rejected the binary notion of a secular state versus religious state and suggested that there could also be an Islamist state or “mildly Islamic state or government”—one that merged secular and religious forms. Other suggested that there should be a genuine effort to bring moderate, political Islamists into the fold.

It was also proposed that the state should be secular but it was pointed out that it was a misconception that secular meant either atheistic or communist. The term secular could be perceived as a Western concept. Others stressed that it was key that there should be a separation between mosque and state.

Other witnesses noted that modernisation appears to be in retreat. Some of our witnesses wanted religious inspired laws to be repealed before more complex laws and policies were explored.

**Part III: Regional security**

The choice of international allies varied between countries—whether US, Russia—but there was a shared frustration at the “ambiguity and unwillingness” of US and European policy.

Western values and media were seen to be widely present in the region. Western values were not viewed as a threat to the region but Western policy had a mixed legacy; in some quarters Da’esh and sectarianism were viewed as the result of Western policies and interventions.
There were mixed views on the new US administration. Some young people viewed the US withdrawal and the Obama policies of the last two years with concern. US engagement following the 2003 invasion of Iraq had left a negative legacy. There were particular concerns about the Trump administration, as it was a Republican administration that had initiated the 2003 invasion of Iraq and President-elect Trump appeared to be more conciliatory towards President Assad of Syria and pro-Israeli. There was also resignation as US policy had been frustrating so far and a new administration could hardly be worse.

Da’esh was viewed variously as the “logical end” to foreign intervention, a reaction to government policies and an extreme or “deviant” product of political Islam. Da’esh was viewed as a threat to the region but it was also seen as one threat on a spectrum. It was recognised that the one of the attractions of Da’esh for some people in the region was the romantic image of the Caliphate and the Islamic empire. There was initially a high level of support amongst the general public which has now diminished. The lack of employment and education in refugee camps was perceived as an easy target for recruitment by Da’esh.

The threat posed by Iran was a divisive question. Iran’s sectarian agenda was rated as the most critical security challenge facing some countries. However, for other countries, there were pro and anti-Iranian factions and Iran was not perceived as dangerous as Da’esh, for example.

Part IV: UK policy

There was a generational divide on the matter of the UK’s reputation. For an older generation Sykes-Picot and the Balfour Declaration are the primary reference points and the UK’s reputation was not positive. For the younger generation, there is a more positive image of the UK. British cultural references for the younger generation predominate—the premier league, Monty Python, London, educational establishments and the BBC all have positive resonance.

There were also divisions between countries. The 2003 invasion of Iraq was viewed in some countries as a negative legacy but for others the 2003 invasion was primarily viewed as a US policy. The perception of the UK is distinct from the US. Some countries viewed Britain’s historic legacy as positive, as part of the nationalist narrative, but for others the UK was partisan, passive or absent. There was also disappointment in previous UK policy which was seen as in the “shadow of American foreign policy”.

There was consensus that deeper British engagement would be positive for the region and demands for renewed British diplomacy. The UK should recover its reputation as the “hometown of diplomacy” and pursue avenues of economic assistance as well. It was made clear that this engagement should not be of a military nature—neither military engagement nor weapons sales, both of which were noted as too predominant in the past. Some witnesses also suggested that other international powers such as Russia have little ideology and positive vision for the region but the UK remains committed to representative, parliamentary democracy.

The strengths of the UK were its soft power—in particular the BBC World Service, educational institutions, language, football, London and arts (music and comedy) were highlighted. Many young people considered the UK an attractive place to live and study.
Many witnesses evinced frustration that the big countries were not doing enough in Syria and suggested this as an area where the UK could play a larger role. It was emphasised that this should not be in the form of any military intervention. Areas suggested for possible UK assistance included supporting refugees in neighbouring countries such as Jordan.

The question of a deal with President Assad was dismissed by some witnesses: if it is possible for President Assad to stand after bombing cities and killing people then “something far worse than ISIS will be the result” was one view. “There must be a standard that a dictator cannot destroy his cities and his people and completely get away with it” said another. The images of the bloodshed in Syria is a global security issue and a mobilising factor for young Arabs.

With arms deals between UK and Gulf states, the UK should push for good governance and anti-corruption measures. Some young people said that the export of weapons was not helpful to the region and they were divided on the cost to the UK’s reputation with some young people noting a reputational damage and others saying it was not particularly known in the region.

Young people questioned the capacity of the UK Government to work with local NGOs. The UK should build relations beyond state sponsored/supported NGOs to work more effectively with independent local organisations.

**Participants**

The names of most participants are listed below but we have respected the choice of some participants to remain anonymous.

- Ms Maisam Abumorr (Palestine)
- Ms Rashaa Al-Bani (Iraq/Morocco)
- Mr Hesham Alghannam (Saudi Arabia)
- Mr Rashad al-Kattan (Syria)
- Mr Hayder Al Shakeri (Iraq)
- Mr Raafat Al Shawi (Saudi Arabia)
- Mr Hamza Arsbi (Jordan)
- Mr Hani Jesri (Syria)
- Mr Mohammed Owaineh (UAE/Palestine)
- Mr Ali Seyedrazaghi (Iran)
- Ms Efrat Shaolin-Sopher (Israel)
- Ms Sheniz Tan (Turkey)
- Mr Meysam Tayebipour (Iran)
- Ms Nour Turkmani (Lebanon)
- Ms Zeineb Ben Yahmed (Tunisia)
**APPENDIX 4: UK DEVELOPMENT FUNDING**

UK development assistance to MENA region in 2015

<table>
<thead>
<tr>
<th>Country</th>
<th>Funds (£ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>12.21</td>
</tr>
<tr>
<td>Iraq</td>
<td>55.50</td>
</tr>
<tr>
<td>Jordan</td>
<td>57.49</td>
</tr>
<tr>
<td>Lebanon</td>
<td>99.53</td>
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<tr>
<td>Libya</td>
<td>10.50</td>
</tr>
<tr>
<td>Syria</td>
<td>260.21</td>
</tr>
<tr>
<td>Tunisia</td>
<td>6.31</td>
</tr>
<tr>
<td>West Bank &amp; Gaza Strip</td>
<td>85.48</td>
</tr>
<tr>
<td>Yemen</td>
<td>82.08</td>
</tr>
<tr>
<td><strong>Grand total</strong></td>
<td><strong>669.31</strong></td>
</tr>
</tbody>
</table>