



International Workshop on Cost of Conflict in the Middle East

Organised by Strategic Foresight Group
Co-hosted by Department of Foreign Affairs of AK Party of Turkey and
Federal Department of Foreign Affairs of the Government of Switzerland

Antalya, Turkey, 15-16 March 2008



AK Party of Turkey and the Federal Department of Foreign Affairs of Switzerland co-hosted a workshop on Cost of Conflict in the Middle East, bringing together leading opinion-makers from Israel, Palestinian territories, Arab states and Turkey. In addition, experts from Switzerland, Norway and the European Parliament, the important countries and institutions that have conceptualised several peace initiatives in the Middle East, participated in the workshop. Strategic Foresight Group, the organiser of the workshop, has innovated the concept of ‘cost of conflict’ to encourage public opinion to reflect on costs their societies incur for engaging in protracted conflict. Its reports on costs of conflict between India-Pakistan and in Sri Lanka have generated groundswell of public debate in South Asia. It has now embarked on an exercise to study cost of conflict in the Middle East at the suggestion of several institutions in the region.

The Antalya workshop was launched with keynote addresses by

- Prof. Dr Mehmet Aydin, Minister of State in the Government of Turkey;
- Ambassador Hesham Youssef, Chef de Cabinet for the Secretary General of the Arab League;
- Ambassador Thomas Greminger, Head of Political Affairs in the Federal Department of Foreign Affairs of the Government of Switzerland.

The workshop was co-chaired by a number of luminaries:

- Mr Egemen Bagis, Vice Chairman of AK Party for Foreign Affairs and Member of Parliament
- Mr Yasar Yakis, former Foreign Minister of Turkey and Member of Parliament
- Mr Vidar Helgesen, Secretary General of International Institute for Democracy and Electoral Assistance and former Deputy Foreign Minister of Norway
- Dr Ephraim Sneh, former Defence Minister of Israel
- Dr Mohammed Shtayyeh, former Public Works Minister of the Palestinian Authority
- Brig Gen Dov Sedaqa , former Head of Civil Administration of West Bank
- Mr Saban Disli, Vice Chairman of AK Party for Economic Affairs and Member of Parliament.

Mr Mevlut Cavusoglu, Member of Parliament for Antalya, opened the workshop on March 15. Mr Menderes Turel, Mayor of Antalya, closed it with a dinner in the honour of participants on the evening of March 16.

“In a peaceful society, people define relations in social and economic terms. In conflict zones, people define relations in political terms.”

Please see Annexure for the Workshop Agenda and the List of Participants.



Minister Aydin, Amb Youssef

Ambassador Hesham Youssef outlined the extremely challenging nature of the endeavour to estimate costs, which are not only economic but also have many other dimensions. The United States began its military intervention in Iraq with estimates of under \$100 billion costs. Recently Prof Joseph Stiglitz, a Nobel laureate in economics, has estimated these costs to be in excess of \$3000 billion and still mounting. Moreover the costs for the American prestige and rejection of the American leadership around the world are incalculable. Opinion polls have demonstrated how the United States is increasingly unpopular in many parts of the world. More significantly, the calculations made by Prof Stiglitz do not include the costs for Iraqi people.

The Middle East has borne severe costs in terms of difficulties in pursuing appropriate development policies, perception of the region in the context of the so-called clash of civilization resulting in low investments and tourism, human costs, and other forms of costs. Several countries have paid the costs for looking after the people displaced from Iraq. In addition, we must take into account the costs for the world economy due to disruption in oil supplies.

He also threw light of the cost incurred by the people of Gaza and Lebanon due to conflicts there.

Ambassador Youssef said: “Despite the challenges, the proposed study will be an eye opener for millions of people. It would also reveal that the costs are not limited to the people of the region. They are of a global nature. For instance, if the American people had known that there were no weapons of mass destruction in Iraq and that the war would cost as much as it actually did, would they have supported the war?” He declared that the League of Arab States would offer full cooperation to the study undertaken by the Strategic Foresight Group.

Prof Mehmet Aydin situated the question of costs of conflict in the Middle East in the context of the global conflict between cultures and religions. He appealed to the international community to examine the role of religious motivation in the current global conflict. He suggested that in order to reduce the costs and conflict, a new mental framework was required. He emphasised:

- Need for adequate reliable knowledge about drivers of conflict
- Need for a critical mind
- Awareness of cultural arrogance in global debate on conflicts
- Integrity and honesty in our analysis and search for solutions.

Prof Aydin elaborated on the initiative undertaken by Turkey and Spain under the auspices of the United Nations to launch an Alliance of Civilizations.

Ambassador Thomas Greminger argued in favour of innovation in his keynote address. He said: “We have tried Track I, II, and III type of peace initiatives in the Middle East and we are still in the midst of a conflict. We are convinced that a nuanced approach can help prevent armed violence. The concept of cost of conflict can help define new policies, prioritise interventions and provide food for thought for collaborative actions.”



Dr Sneh, Amb Greminger, Mr Irbec

Ambassador Greminger introduced various initiatives taken by Switzerland to reduce the violence in the Middle East and globally. He said that conflict prevention was better than conflict management as early prevention can help small countries prevent mass migration. He also drew attention to a study undertaken by

the Small Arms Survey for measuring burden of armed violence undertaken in the same spirit as the cost of conflict studies of Strategic Foresight Group. He added: “We need to create a culture of conflict prevention but it is a long-term challenge.”

Hon Egemen Bagis, the co-host of the conference, advocated a pro-active role by Turkey in peace-making in the Middle East. He described Ankara Forum, a Turkish initiative to bring together business leaders from Israel and Palestinian territories in joint ventures and the role played by Turkey in the context of the Annapolis Conference. These initiatives made Turkey a stake-holder in lasting peace in the Middle East. Turkey was therefore concerned about the costs incurred by the conflict.

The workshop identified several elements of cost, some of them often ignored while measuring the impact of conflict or armed violence. These include:

- Destruction of physical infrastructure – e.g. airport, industrial estate and roads in Gaza.
- High poverty and unemployment in Gaza (both above 50%) despite relatively high proportion of university education.

“How can we calculate the cost of pain suffered by a woman in labour who is trying to cross a check-point to go to the hospital?” According to one estimate there are 529 check-points in West Bank. According to other estimates, the number is closer to 700.”

- Costs of humiliation (not time and financial expenditure of travel) for waiting for hours at check-points.
- Costs of dismantling settlements in Gaza and West Bank.
- Lack of land access due to conflicts from one economic centre to another.
- Costs of migration and missing persons.
- Environmental costs due to the cutting of olive trees, changes in the shape and nature of hills due to settlements, and similar distortions.

- **Economic distortion due to gains made by vested interests in conflict zones.**
- Damage to economic structure, trade and investment flows.
- Growth of extremism and culture of revenge in societies.

- Loss of childhood, with children and young people unable to sleep due to the fear of rocket attacks and bombings, and also due to radical teachings in schools.
- Disruption of youth due to conscription.
- Impact on psychology of women whose families are destroyed or rendered insecure by conflict.
- Support for authoritarian leadership due to insecurity.
- Lack of civility in society resulting in rise in crime including kidnapping and trafficking of women – instead of peace industries like retail and manufacturing of good required for daily needs.



Mr Hadi, Gen Sedaqa, Prof Inbar

- **The perception of the Arab states as small and divided entities, not viable partners of the world’s main economic actors.**
- Opportunity costs due to the failure to realise regional projects such as regional parks, canals, railways from Amman to Haifa, joint international airports (e.g. Aqaba), desalination plants, solar energy and the export of gas from Gaza to the region – projects based on hard business sense and not charity.
- **Opportunity costs of peace dividends such as the scene of 22 Arab missions in West Jerusalem; stability in Lebanon and Iran-US rapprochement; reduction in time for transportation of people and goods even if a dozen most important check points are opened.**

“Normal society has institutions to regulate life. Wars promote arrangements and new power equations that are not in harmony with normal civil relations. When wars end, it is not easy to change from distorted economies and conflict economies to normal a normal economy.”

- Diplomatic costs of defending the indefensible – Israeli cluster bombs and Palestinian suicide bombs.
- Identity costs – identification of Arab population with extremism and of Israel with threat to international security.
- Costs for neighbouring countries in terms of decline in tourism, increase in refugees, and illicit arms trafficking.
- Increase in insecurity in the region and the risk of a nuclear arms race.
- Transformation of a regional conflict into a global conflict between on the basis of culture and religion, even though Christians and

Muslims in the Middle East believe in peaceful co-existence.

- Costs for donor countries in terms of destruction of infrastructure funded by them.
- Costs for donor countries in terms of humanitarian assistance.
- Loss of credibility of international institutions such as the United Nations and the Quartet.

“In the Middle East, conflict has obstructed the evolution of the consuming class. There is limited production capability and market demand. As a result, there is no regional trade. The countries in the region look for distant trading partners.”

- Financial costs of the UN missions (e.g. \$250 million for UNIFIL in 6 months).
- **Costs of diplomatic efforts, including the risk of image loss for the mediating countries in the case of the failure of diplomatic efforts.**



Mayor Turel and Mr Bagis

Several of the participants also suggested the following:

- Consideration of human security approach addressing material needs and dignity needs of people while estimates costs.
- Consideration of living conditions of people in conflict zones (excellent studies carried out by FAFO, Oslo).
- Consideration of Israel's image of its future – the study on Israel 2020 and particularly the volume on Price of Peace.

In conclusion, most participants advised Strategic Foresight Group, quoting Keynes:

“It is better to be broadly right than exactly wrong.”

***Social costs are transformed from one generation to another.
Rehabilitation is not enough.”***



Mr Labadi and Mr Helgesen on the panel of socio-political costs of conflict in the Middle East

Strategic Foresight Group

Agenda for International Workshop:

Cost of Conflict in the Middle East

IC Hotel Green Palace, Antalya, Turkey, March 15-17, 2008

Co-hosted by

Department of Foreign Affairs of AK Parti of Turkey

Federal Department of Foreign Affairs of Switzerland

March 15

Morning and afternoon:
19.30 onwards

Arrival of participants

Welcome dinner for participants

Welcome by

- Mr. Mevlut Çavuşoğlu, MP, Antalya, Turkey
- Mr. Sundeep Waslekar, President, Strategic Foresight Group
- Mr. Egemen Bağış, Vice Chairman of AK Party in charge of Foreign Affairs, MP, İstanbul, Turkey

Keynote Addresses by

- Ambassador Hesham Youssef, Chef de Cabinet for Secretary General, League of Arab States
- Prof. Dr. Mehmet Aydın, Minister of State, Turkey

March 16

9.00 - 10.00

Introductory Session

(Chaired and introduced by Yasar Yakis, MP, former Foreign Minister of Turkey, Head of the EU-Turkey Harmonisation Committee of Turkish Parliament, Turkey)

- Overview: Sundeep Waslekar, President of Strategic Foresight Group
- Keynote Address: Amb. Thomas Greminger, Head of Political Affairs, Human Security, in Federal Ministry of Foreign Affairs of Switzerland

10.00-11.00

Turkish Perspectives of the Cost

(Chaired and introduced by Mr Egemen Bagis, MP, AK Parti Vice Chairman in Charge of Foreign Affairs, Turkey)

- Ms. Esra Cuhadar Gurkaynak, Assistant Professor at Political Science Department of Bilkent University, Turkey
- Mr. Kerem Kiratlı, Head of Department of Middle East of the Ministry of Foreign Affairs of the Republic of Turkey

- 11.00-11.30 Coffee Break
- 11.30-13.00 **Social and Political Costs**
(Chaired and introduced by Vidar Helgesen, former Deputy Minister of Foreign Affairs of Norway and Secretary General of International IDEA)
- Dr Jon Pedersen, Managing Director, FAFO, Norway
 - Amb. Abdel Raouf El Reedy, President, Egyptian Council for Foreign Affairs, Egypt
 - Dr. Mahmoud Labadi, former Director of Aid Coordination and UN Specialized Agencies and former Director General of the Palestinian Legislative Council, Palestine
- 13.00-14.00 Lunch
- 14.00-16.00 **Economic Costs**
(Chaired and introduced by Dr Mohammad Shtayyeh, President of PECDAR and former Minister of Housing and Public Works, Palestine)
- Prof Talaat Abdel Malek, Professor of Economics, American University of Cairo, Economic Advisor to the Government, Egypt
 - Major General MK Shiyyab, Head of Cooperating Monitoring Centre, Jordan
 - Dr Riad Al Khouri, Director, Middle East Business Association, Jordan
 - Dr Haila Al Mekaimi, Head of Euro-Gulf Research Unit, Kuwait University, Kuwait
- 16.00-16.30 Coffee Break
- 16.30- 17.30 **Military Costs**
(Chaired and introduced by Brig. Gen. Dov Sedaqa, former Head of Civil Administration of the West Bank and currently with Economic Cooperation Foundation, Israel)
- Prof Efraim Inbar, Director, Begin Sadat Centre for Strategic Studies, Israel
 - Dr. Mahdi Abdel Hadi, Chairman, Palestinian Academic Society for the Study of International Affairs

17.30-18.30

Diplomatic and other costs

(Chaired by Ephraim Sneh, former Minister for Health of Israel)

- Amb Aly Maher, Director, Institute for Peace Studies, Bibliotheca Alexandrina, Egypt
- Salman Shaikh, Director for Policy, Office of Her Highness Sheikha Mozah, Qatar
- Mr Niccolo Rinaldi, Deputy Secretary General, ALDE, European Parliament

18.30-19.00

Concluding Session

(Chaired by Saban Disli, MP, AK Parti Vice Chairman for Economic Affairs, Turkey)

- Ilmas Futehally, Strategic Foresight Group
- Concluding Remarks by Thomas Oertle, Swiss Federal Department of Foreign Affairs

Discussion on sources, inputs and suggestions for future research and workshops, including guidelines for aspects of costs not covered by the synopsis, cost escalation scenarios and cost reduction scenarios

19.30

Formal dinner

Hosted by Mr. Menderes Turel, Mayor of Antalya Metropolitan Municipality
Venue: ClubARMA, Antalya Castle

List of Participants

1. Amb. Abdel Raouf El Reedy, President, Egyptian Council for Foreign Affairs, Egypt
2. Prof Dr Ali Çarkoğlu, Professor in Faculty of Art and Social Sciences of Sabanci University
3. Amb Aly Maher, Director, Institute for Peace Studies, Bibliotheca Alexandrina, Egypt
4. Mr Cengiz Çandar, Journalist-Author, Turkey
5. Brig. Gen. Dov Sedaqa, former Head of Civil Administration of the West Bank and currently with Economic Cooperation Foundation, Israel
6. Mr Egemen Bagis, MP, AK Parti Vice Chairman for Foreign Affairs, Turkey
7. Prof Efraim Inbar, Director, Begin Sadat Centre for Strategic Studies, Israel
8. Dr Ephraim Sneh, former Minister of Health, Transportation and Defence, Israel
9. Ms. Esra Cuhadar Gurkaynak, Assistant Professor in Political Science Department of Bilkent University, Turkey
10. Dr Haila Al Mekaimi, Head of Euro-Gulf Research Unit, Kuwait University, Kuwait
11. Amb Hesham Youssef, Chef de Cabinet for Secretary General, League of Arab States
12. Ms Ilmas Futehally, Executive Director, Strategic Foresight Group, India
13. Dr Jon Pedersen, Managing Director, FAFO, Norway
14. Prof Dr. Kemal Kirişçi, Professor at Political Science and International Relations Department of Bogazici University
15. Mr Kerem Kıratlı, Head of Department of the Middle East of the Ministry of Foreign Affairs of the Republic of Turkey
16. Mr. Mahdi Abdel Hadi, Secretary General, Palestinian Academic Society for the Study of International Affairs, Palestine
17. Dr. Mahmoud Labadi, Director of Aid Coordination and UN Specialized Agencies and former Director General of the Palestinian Legislative Council, Palestine
18. Major General MK Shiyab, Head of Cooperating Monitoring Centre, Jordan
19. Dr Mohammad Shtayyeh, President of PECDAR, and former Minister of Housing and Public Works, Palestine
20. Prof Dr Mehmet Aydın, Minister of State, Turkey
21. Mr Mevlüt Çavuşoğlu, MP, Chairman for Turkish Delegation for Council of Europe, Turkey
22. Mr Mustafa Akyol, Op-ed Author, Turkey
23. Mr Niccolo Rinaldi, Deputy Secretary General, ALDE, European Parliament
24. Doç. Dr. Nuray Mert, Associate Professor and Faculty of Economy and Administration of İstanbul University
25. Dr Riad Al Khouri, Director, Middle East Business Association, Jordan
26. Mr Saban Disli, MP, AK Parti, Vice Chairman for Economic Affairs, Turkey
27. Mr Salman Shaikh, Director for Research and Policy, Office of Her Highness Sheikha Mozah, Qatar
28. Mr Sundeep Waslekar, President, Strategic Foresight Group, India

29. Taha Ozhan, Foundation for Political, Economic and Social Research, SETA, Turkey
30. Prof Talaat Abdel Malek, Professor of Economics, American University of Cairo, Economic Advisor to the Government, Egypt
31. Amb Thomas Greminger, Head of Political Division IV-Human Security, Federal Department of Foreign Affairs, Switzerland
32. Mr Thomas Oertle, Head of the Middle East Desk at Federal Department of Foreign Affairs, Switzerland
33. Mr Vidar Helgesen, former Deputy Minister for Foreign Affairs, Secretary General of International IDEA, Sweden
34. Mr Yasar Yakis, MP, former Foreign Minister, Head of EU-Turkey Harmonisation Committee of Turkish Parliament, Turkey
35. Mr Yusuf Ziya Irbec, MP representing Antalya, Turkey
36. Ms Camino Kavanagh, Special Adviser, International IDEA, Sweden

Conference Coordinators

- Ms Devika Mistry, Research Analyst, Strategic Foresight Group, India
- Ms Ayse Sozen, Department of Foreign Affairs, AK Party, Turkey