

The price of conflict

Forecasting with insight

Can a study that prices the ongoing conflict in the Middle East at US\$ 12 trillion change attitudes and break down ideological barriers?



Sundeep Waslekar
Founder, Strategic Foresight Group

“What we need to do is find windows of opportunity and try to make collaborative interventions. For that, we can’t wait for tomorrow, we have to start the action yesterday.”

Putting a price tag on things usually has a way of making people look at them differently. This is the reasoning behind a report recently published by the Strategic Foresight Group (SFG) on the cost of conflict in the Middle East. The report comes to the conclusion that since 1991 the cost of conflict in the Middle East amounts to US\$ 12 trillion.

There could have been an average of 8% growth per year in the Middle East in the last 20 years had there been peace and cooperation. Upon being confronted with such staggering numbers, the question automatically arises: How did they come up with these numbers?

A collaborative process

Sundeep Waslekar, the founder of the Strategic Foresight Group and one of the main figures behind the report, explains the collaborative efforts behind the report:



“We had very substantial involvement by experts representing almost all the major political constituents in the Middle East, both through bilateral consultations as well as collective reflection. This was an important aspect of this undertaking. We also organized workshops involving senior experts, heads of think tanks and former ministers from all the twelve countries concerned in the report, except for Syria. These experts sat together and developed their understanding of what the costs are, choosing the parameters we should take into consideration. This collaborative process was the foundation on which consensus between the experts evolved.”

A useful impact on policy discourse

The Cost of Conflict in the Middle East is the third report in a series published by the SFG on the cost of conflicts. The SFG published the first report in this series on India and Pakistan in 2004. “A lot of people that were in favour of reconciliation [between India and Pakistan] said that the information and

the analysis within the report was very helpful,” Waslekar comments. “The report received a lot of attention worldwide and we started receiving requests from other conflict zones to prepare similar reports.” Thus, in 2006 a report on Sri Lanka was completed.

In 2007, Sundeep Waslekar attended an SFG meeting hosted by His Rt. Hon. Lord Alderdice at the British Parliament with parliamentarians from the European Union, the Chief of Staff of the Arab League Secretary General’s office and a senior American public policy figure. As Waslekar relates, during this meeting, “the Arab and American officials jointly suggested that since the Cost of Conflict Report for India-Pakistan and Sri Lanka had an impact on the policy discourse, it would be useful if we [SFG] would produce a similar report on the Middle East.”

But Waslekar wanted to make sure that the report would be the product of unhindered independent research. “We wanted to do the report for the entire region. It was important to us to include views and analysis not only

from Arab countries, but also from Israel. We started looking for neutral partners. Switzerland, Norway and the AK party in Turkey were all very happy to help us in this process.”

Unravelling a spider web of complexities

And so the difficult process of trying to price one of the most complex conflict zones in the history of mankind commenced. In contrast to the earlier reports that dealt with one and two countries respectively, the Middle East report covers 12 countries. “We had no choice; we were forced to take all these different countries into consideration, given the dynamics of the region”, states Mr. Waslekar. “While we realized that the Israel/Palestine conflict is at the core of the conflict situation in the Middle East, it is closely linked to the other conflicts in the region. It is very difficult to separate these other conflicts when you are measuring the impact.”

In addition to the highly interwoven nature of conflicts in the Middle East, the report points out another interesting characteristic of »»»

political violence in this part of the world:

“One of the biggest contributors to the cost of conflict is that the conflict is getting multiplied. Ten years ago, when you talked about the conflict in the Middle East, you talked about the conflict between the Israelis and Palestinians. Today, in 2009, when you

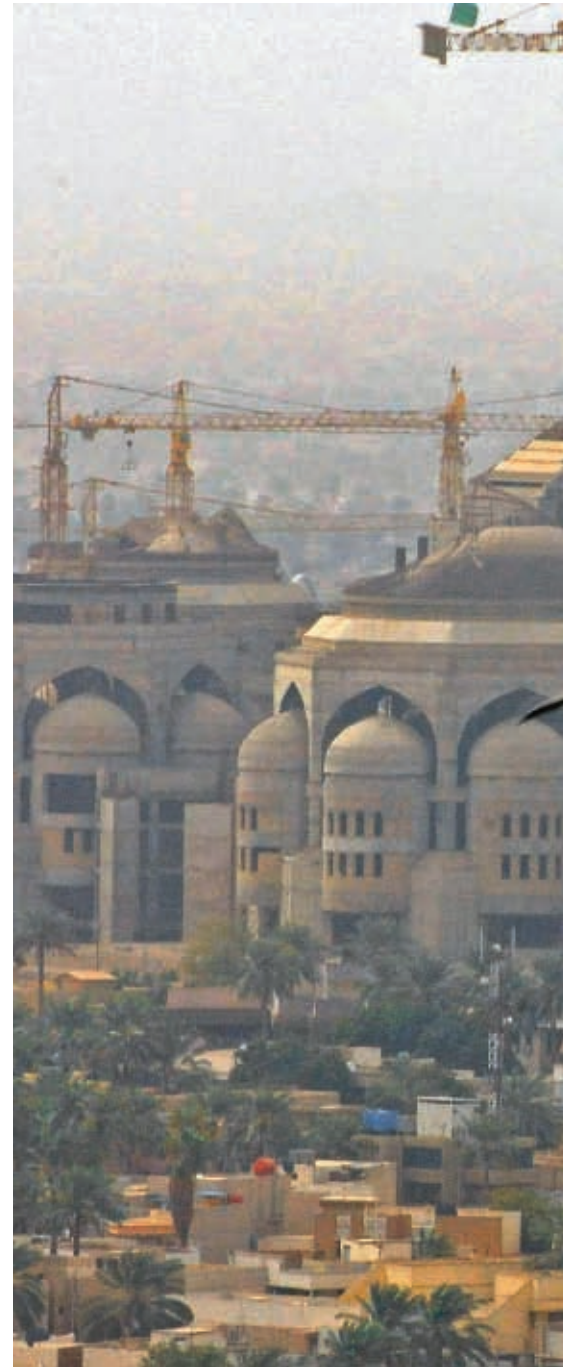
Hamas and Fatah, about Iraq and about Lebanon. One of our analyses is that if you wait another ten years, in 2019 you might have many more dimensions to this conflict. The longer you wait the more complicated it will become, the more actors will be involved and the more difficult it will become to resolve.”



talk about conflict in the Middle East, you are talking about the Israel/Palestine conflict, about the inner Palestinian conflict between

The window of opportunity

The election of President Obama presents a new era in the relationship between the United States and the



Middle East; but other factors cannot be forgotten.

As Waslekar explains, “There are two developments that have to be taken into consideration. First, we have President Obama’s appointment of a special envoy for Middle East Peace, George Mitchell. Most parties in the region have welcomed this appointment. This is a positive development that creates a window of opportunity. But on the other hand you have a coalition that has recently been elected



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in Israel, which in my opinion is a right of centre coalition. This coalition is not favourable to a peaceful solution of the Israel/Palestine conflict in the immediate future.”

At a time when the political dialogue between the Israelis and Palestinians is in deadlock, the opportunities to bring about positive developments have been minimized. Sundeep Waslekar, however, is not pessimistic.

“Since political instruments are not working, there could be an opportunity

to craft economic instruments that would represent innovative tools in order to try and break the deadlock. I think there is room for positive developments, despite difficulties in the region. The critical issue here is that American leadership under Obama is willing to play a supporting role, but they want leaders in the Middle East to take initiative. And there are far too many expectations in the region that the Obama administration should take the initiative.”

The importance of the private sector

As Waslekar sees it, bringing peace to the Middle East is a huge undertaking that cannot be implemented by governments alone. “I believe that there is a very important role that public-private partnerships can play. I don’t believe that it is realistic to say that the private sector can do this alone, but neither can governments. There is thus a very serious requirement for public-private partnership. There is a very direct economic deprivation »»»



that is taking place. This leads to extremism and political problems.”

The solution, according to Waslekar, is that, “We need an economic stimulus. This economic stimulus should come from public sources. However, that is not enough. In addition to that we need a tremendous amount of private sector activity. We need to provide certain goods, which can only be provided by the private sector. But beforehand we need government action. In the case of the West Bank, where there are 600 checkpoints, the lifting of the restrictions on the movement of people

is of vital importance. At the moment there is no mobility of the factors of production. If factors of production cannot move freely, the private sector cannot act. Certain important decisions must be made by policy makers to make economic activity viable. The World Economic Forum is a platform that facilitates the interaction between private and public actors. This interface is of vital importance in order to reaching breakthroughs.”

And the time is now: “When looking at the complexities of a conflict like the one between Israel and

Palestine, there is never an appropriate moment to resolve it. If we concentrate solely on the difficulties, we will never be able to resolve the conflict. If we wait, the complications will increase. What we need to do is find windows of opportunity and try to make collaborative interventions. For that, we can’t wait for tomorrow, we have to start the action yesterday.” <<<<

For more information on the Strategic Foresight Group, visit their website at www.strategicforesight.com.