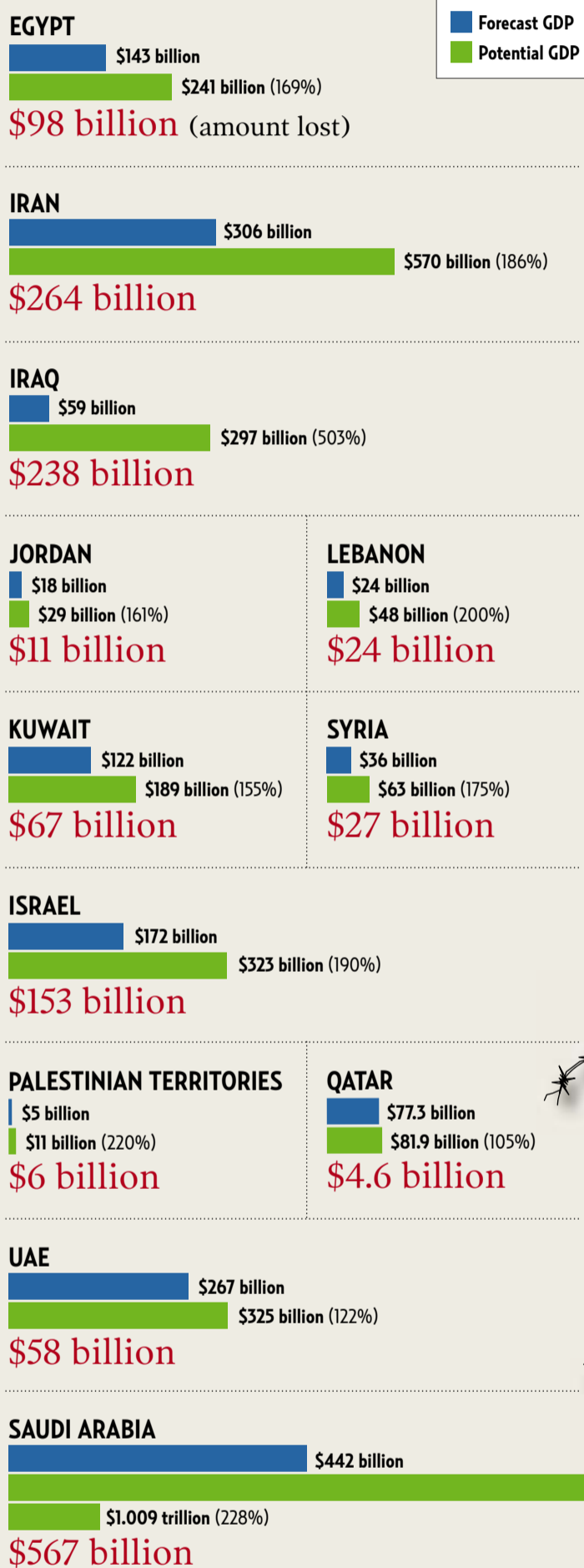


Conflict bleeds Mideast dry

MILITARY EXPENDITURE HAS MULTIPLIED EVERY YEAR AT THE EXPENSE OF HEALTH, EDUCATION AND DEVELOPMENT

Forecast GDP vs Potential GDP

Below are projected GDP forecasts for 2010 for 12 Arab countries under current volatile conditions and potential GDP values under peaceful conditions, as well as the opportunity cost of conflict to the respective countries. All GDP values are in 2006 US dollar.



By **ABBAS AL LAWATI**
Staff Reporter

Dubai The Middle East has witnessed 16 major wars in 61 years, costing the region 1.4 million lives and trillions of dollars in lost opportunities, lost generations, and lost identities.

These are the findings of a wide ranging study on the real and opportunity cost of conflict in the Middle East since 1991.

The study by the India-based Strategic Foresight Group revealed an opportunity cost of \$12 trillion for the region between 1991 and 2010 in the absence of peace.

Some regional powers have been increasing their military expenditure by ten per cent every year, making the Middle East the most militarised part of the world. Seven states in the region are among the ten highest military spenders in the world.

The cycle of militarisation has arguably had the opposite of the intended effect of consolidating sovereignty and ensuring stability. The number of American troops in the Middle East today stands at more than one hundred times what it was twenty years ago. At more than 200,000 troops, American military manpower in the region is greater than that of eight countries in the region.

This, the report points out, has come at the expense of education, health and development. The region is plagued with unemployment and a growing brain drain.



Circle of poverty

A Palestinian woman near the rubble of her home in the devastated area of east Jabaliya, Gaza. Non-state actors are beginning to exploit the dismal socio-economic conditions in the region.

The millions of widows and orphans created over the years can only ensure a continuation of volatility and lack of development for the coming generations.

But the effects of conflict in the Middle East are not confined to its borders. The socioeconomic conditions in the region have made it ripe for a long incubation of non-state actors

that are not bound by laws or international conventions. They often command more respect and fear than sovereign governments and have taken their struggles beyond the region.

The rise of Al Qaida is a prime example of this. The organisation has taken 9,000 lives of non-Middle Easterners between September 2001 and 2008 and cost the international community

billions of dollars in wars and peacekeeping. Almost \$800 million has been spent on just three UN peacekeeping missions in the region.

By showing the shocking figures of human and monetary cost of the conflicts in the Middle East, the authors of the report attempt to have the region's decision makers to stop and ask: is it worth it?

\$12,000,000,000,000

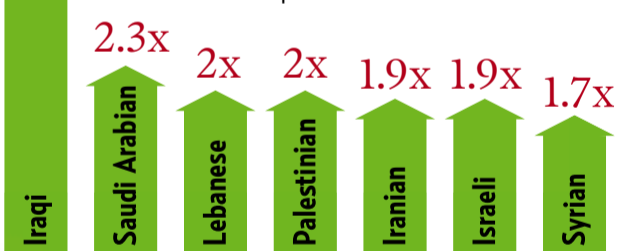
Is the amount that the countries in the Middle East that are involved with or affected by the Israeli Palestinian conflict, internal strife in Lebanon and the US invasion, have lost in opportunity cost, or money that could have been made, if the region was free of conflict between 1991 and 2010.



4x richer

Lost GDP per capita

Number of times the average citizen in the following Middle East countries would have been richer if the region was free of conflict in the past two decades.



Effect on children

Conflict has a direct impact on children through its psychological effects, access to education and displacement.

- 2,150 Children detained by law enforcement authorities and multinational forces in Iraq
- 1,000 Killed between 2000-2008 in Palestine
- 400 Children under detention of Israeli authorities
- 45% Displaced in Lebanon are children
- 30% Of Iraqi children are not attending school



Cost of Israel boycott

\$30-50b

Export opportunity cost for Israel between 2001 and 2010

\$15b

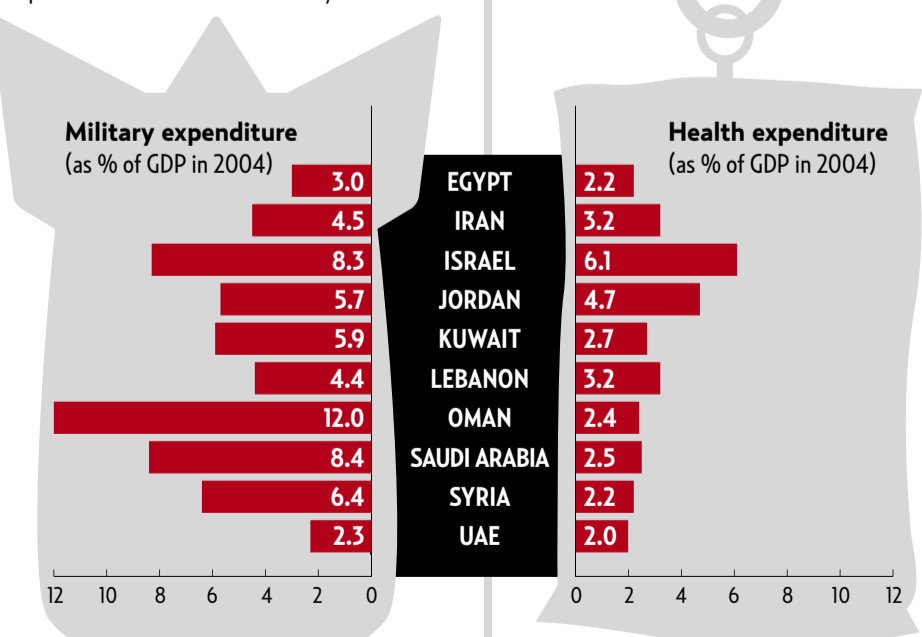
Opportunity cost for Iran and Arab states for not exporting oil to Israel per year

\$21,000

Annual income increase for an average Israeli if Arab boycott is lifted

Militarisation

The region is the most militarised in terms of casualties and military spending. Below is a comparison of expenditures for health versus military



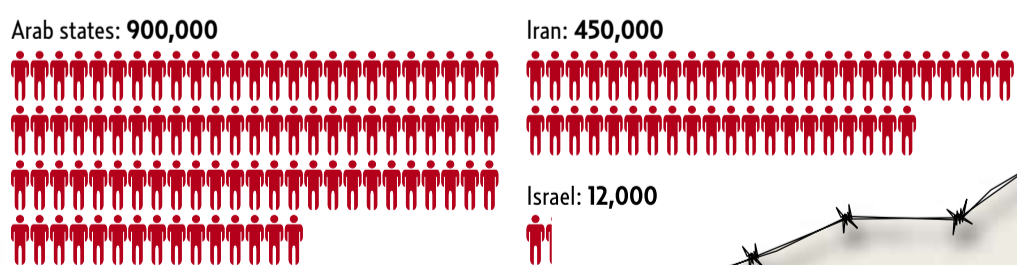
World's top ten military spenders

World's top ten military spenders as a percentage of GDP (2005), of which seven are in the Middle East.

1. Eritrea 23%
2. Oman 11.9%
3. Afghanistan 9.9%
4. Israel 9.7%
5. Saudi Arabia 8.2%
6. Yemen 7.0%
7. Burundi 6.2%
8. Iran 5.8%
9. Syria 5.1%
10. Iraq (exact figures are unknown)

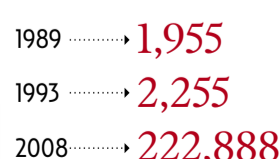
Lives lost in major wars since 1948

(Estimated figures)



US military presence

Foreign military interests in the region have grown over the decades with US forces constituting the majority of foreign troops in the Middle East.



Effect on international community

United Nations' missions in the region 1948-present
Personnel involved: 14,936
Fatalities: 712
Budget: \$794,860,000

- 4,000 People killed in Al Qaida attacks in several countries since 2001
- 5,000 Coalition troops killed in Iraq in the same period

Military Spending in the Region

Expenditure of Israel, Egypt and GCC states increases by 10% every year.

