



Select Committee on International Relations

Corrected oral evidence: Transformation of power in the Middle East and the implications for UK foreign policy

Wednesday 7 December 2016

2.30 pm

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Members present: Lord Howell of Guildford (Chairman); Baroness Coussins; Lord Grocott; Lord Hannay of Chiswick; Baroness Hilton of Eggardon; Lord Inglewood; Lord Jopling; Lord Purvis of Tweed; Lord Reid of Cardowan; Lord Wood of Anfield.

Evidence Session No. 7

Heard in Public

Questions 55 – 71s

Witnesses

[I](#): Dr Richard Haass, President of the Council on Foreign Relations (via videoconference).

[II](#): Mr Paul Danahar, Former BBC Middle East Correspondent; Mr Nicolas Pelham, Middle East Affairs Correspondent, the *Economist*.

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Examination of witness

Dr Richard Haass.

Q55 **The Chairman:** Dr Haass, good afternoon. Thank you very much indeed for joining us this afternoon for our Committee meeting in the House of Lords at Westminster.

Dr Richard Haass: Good morning from our end and good afternoon from yours. Thank you for asking me. I look forward to the conversation.

The Chairman: We are looking forward very much to having the wisdom of your views and sharing views with you. I should explain that this Committee is entitled the House of Lords Committee on International Relations. That is a pretty broad starting point and, indeed, our current inquiry is broad in its ambitions, but we have to try to narrow it, with your help.

We are looking at the unfolding and ever-changing scene in the Middle East region. We are looking at it from the point of view of UK interests, which of course are themselves changing; that is one of our parameters. We are also looking at it from the point of view of what is going on in the Middle East: the transformation of power with the breakdown of old barriers, new interests, changing energy perspectives and so on. We are looking at it particularly from the point of view of United States policy towards the region and how it is being changed, possibly by your domestic dramas and changes, which we are all watching closely. It is also being changed, obviously, by what is going on in the region, by the way in which the powers, including Russia and China, are playing the scene and by the way in which the Saudis and the Iranians are resolving, or not, their ancient enmities. That is the scene that we want to narrow down to identify our own interests.

I begin, Dr Haass, by asking a question that you must have been asked many times before. How do you think new developments in your country, with the President-elect, will influence the changing scene in the Middle East? That is the first question. Will you go straight on from that and say what you see in the Middle East? You have told us in your papers that you think that it is disintegrating, with the old maps going. How do you see that shaping? Those are two big questions.

Dr Richard Haass: Thank you again. It is difficult to answer your first question simply because we are only about one month into the transition. The focus of any presidential transition here is essentially to staff up an Administration. We still do not have a Secretary of State. We do not have anything like the sub-Cabinet. Once all this is done, usually the first few months of an Administration are devoted to undertaking various reviews. All that is to say that what this Administration would do in the Middle East is speculation on steroids at the moment, because we do not really know who or what the Administration are.

The one thing that we know is what they are going to inherit. As you say, I have a fairly dark view of a region that is, as I would call it, akin to a

latter-day Thirty Years' War, with conflicts that are within and between states, direct and indirect, proxy—you name it. Boundaries in many cases count for little. You have an odd mixture of strong governments and weak governments. You have a host of non-state actors. All this has come about for local reasons, but also because of what the United States and others have chosen to do and chosen not to do. The result, I think, will be prolonged instability of various sorts along various fault lines.

The challenge for the Administration—I would have said much the same thing about a Clinton Administration, had there been one—is to right-size US policy. This has been a challenge for the United States for years. Where does the Middle East fit within the totality of America's involvement in the world? What percentage of our resources—military, economic, intellectual, political, the hours in the day—ought it to absorb? How ambitious ought our aims to be? We have seen over the last two Administrations a wide range of answers to those questions, although I think that what you had in common were at times ambitious aims. We saw that in the Iraq war and in the Libya intervention. We saw it rhetorically with the Obama Administration, where, in many cases, this or that leader must go. The big difference in the Obama Administration was a much greater reticence to match resources to rhetoric. We saw that in the Libyan aftermath, in Iraq, in Afghanistan and repeatedly in Syria. On the question of where this fits, the Obama Administration talked about a pivot or rebalanced Asia. Implicit in that was a dialling down of the Middle East, but, again, it was never quite worked out. Indeed, towards the end of the Obama Administration, we had some ramping up in the Middle East, both in Iraq and Syria, as well as the continued prosecution of the war against ISIS.

This is the inheritance for Mr Trump. All we can go on are his pronouncements, where in general there is a desire not to have American foreign policy larger than he and others believe it needs to be. This is not an Administration—at least, based on campaign statements—that seems to be looking for what you might call discretionary foreign policy in large amounts. It does not seek to transform the world. It is something of a departure from the 43rd President and the language of his second inaugural and some of what he attempted in Iraq and elsewhere. I think there would be a continued effort against terrorism and the prosecution of the war with some intensity against ISIS in both Iraq and Syria. The greatest question marks are what sort of ambitions there will be and how they will be pursued in dealing with the humanitarian or political challenges in countries such as Syria. Perhaps I should stop there rather than filibuster; we will take it from there.

The Chairman: Dr Haass, sorry, there is one thing that I should have added at the beginning, but I was diverted by the novelty of talking to you across the Atlantic. We are in public session. A transcript will appear afterwards, which you can change or add to in any way you wish. The other similarly formal point to make is that you have some good friends on this Committee; you will recognise one or two of them, because they will be asking you questions, so be prepared to meet friends in a

moment.

Dr Richard Haass: I am always prepared to meet friends.

The Chairman: Just before I turn to other parts of the discussion and to colleagues, let me say that you paint that scene, yet in some of your fascinating papers, which we have studied closely, you are still saying that there is a role of some kind for the United States. You are not just saying, "Leave this to the playground, to the Russians and the Chinese, and serve them right". You are saying that America must not stay aloof and that counterterrorism becomes the preoccupation. Can you elaborate on that view—you want to stay in but you want to get out?

Dr Richard Haass: Let me answer it two ways. First, the United States continues to have interests in the Middle East. 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; obviously, we still have a stake in the economic vitality of the world, which continues to be heavily reliant on Middle East oil; we have other obligations in the Middle East and traditional friendships with various Arab governments; we have our humanitarian concerns. The United States has a significant number of significant interests in the region.

The question for policymakers is, I guess, the traditional Goldilocks conundrum of foreign policy: finding a balance between doing too much, doing too little and getting it just right. It seems to me that we want to go light and essentially be careful about too much ambition in the way of political transformation, but I would think that we would want to do what we can on the humanitarian side and be quite robust in our efforts, with whatever set of tools, to reduce the terrorist profile in the region and any chance of additional nuclear proliferation.

So I would say, yes, we have considerable interests and there are things we ought to do to promote and protect them.

The Chairman: I shall now ask some of my colleagues to join in this general opening section before we get the details. Lord Hannay would like a word.

Q56 **Lord Hannay of Chiswick:** It is very nice to talk to you again, Richard. I think it is about 34 years ago that we started talking. On these general issues, do you recognise the thought that external actors—the United States, China and Russia—probably have less ability to rule the roost in the Middle East than they used to have and will need to adapt policies to a situation where they will be less dominant in policy-making within the region? If so, what conclusions do you draw from that?

Dr Richard Haass: The short answer is yes. The era of external control, which has gone through various phases—it went through the Ottoman phase, it went through the European colonial phase, it went through the

Cold War Soviet-American phase and in some ways it went through something of a more limited American phase—is essentially over. That is not to say, at the other extreme, that outsiders have no sway. We obviously continue to have sway, whether it is what the United States does or does not do; Russia has just proved its ability to shape events, Turkey is showing signs of renewed activity. But I think the balance, or mix, between outsiders and local states, including Israel, Iran, Turkey, Saudi Arabia and other local actors, has clearly shifted from outsiders towards insiders. It is part of a larger trend in the international system of the dissemination or diffusion of power. It is just harder for outsiders to translate what might be their advantages on paper to results in reality.

The most powerful example of this is the massive American investment in Iraq and Afghanistan and the relative modesty, shall we call it, of results, given the scale of our military, economic and diplomatic efforts over the past decade and a half.

Q57 Lord Reid of Cardowan: Hello Richard, nice to speak to you again. I cannot claim to go back 34 years, but I do not think Lord Hannay has ever played bluegrass music in your backyard in Washington. It is really nice to see you again.

My question is quite narrow. As Lord Hannay said, the big actors from the West and the East may have less power over events there, but if President-elect Trump—to drag you back to him, which I know you will welcome—makes counterterrorism, whether through ISIS or any other follow-on body, because this is a movement that may well keep regenerating itself, the central feature of what he does, it implies at least the forming of alliances with others, perhaps in a closer way that has not been done before; specifically, in the case of Syria, given Russia's enhanced status now, with Russia. I know that we cannot take everything that has been said for granted, but given some of the comments that President-elect Trump has made about future relations with Russia, and specifically about President Putin, do you see this as reality rather than rhetoric? Do the wider implications of such an alliance worry you?

Dr Richard Haass: Thank you John, it is wonderful to see you again. Just earlier this week, I met with one of your successors as Secretary of State for Northern Ireland, and I would say that it is painfully familiar. So far, at least, the Russian role in Syria has not been much in the way of counterterrorism; it has been counter-Syrian resistance. The percentage of the Russian effort devoted to going after ISIS has been disappointingly modest, as best I understand it. The Russians mainly seem to be about shoring up Mr Assad's regime, and the way they have gone about it is, to be blunt, quite brutal.

I am not ruling out the idea that we can work with Russia but, for now, it has not been obvious. Perhaps we should still try to work with them, if we can, on alleviating some of the humanitarian pressures. The day may come when we can work with them on some kind of political transition; I do not know. Depending on what happens when people start returning home, the Russian incentive to do something about terrorists and groups

such as ISIS and al-Qaeda offshoots may increase if they start seeing more of them showing up within Russian territory itself, but for the foreseeable future it seems to me that the Russian agenda is to strengthen the writ and reach of the Assad regime. At the moment, that is the reality.

To me, the big question that I would want to test with them is whether there is potential willingness to co-operate, not in the short run to unseat the regime—unfortunately, I do not think that is a realistic goal—but to work with us on alleviating the humanitarian crisis that is in part caused by Russian, not to mention Syrian, behaviour. We ought to test that, and if we cannot get what we want I think we ought to go very public with what the Russians are doing or not doing. All in all, I have been frustrated by the lack of emphasis they have given to the counterterrorist dimension of the effort there.

Q58 The Chairman: Dr Haass, before we go on to some rather more specific issues—we have just touched on one, Syria—I will ask you one more general question. You have had your political uncertainties in a big way. We have had ours too, including our now developing plan to exit from membership of the European Union. Would you like to give us some friendly transatlantic comments on how you see that and how it affects what we are trying to do together?

Dr Richard Haass: I should say that my enthusiasm for that particular initiative is distinctly finite. I worry about it, in part, for what John Reid and I worked on: it potentially has consequences for the internal integrity of the UK and in particular for Northern Ireland. It seems to me that it adds new uncertainties to the European project. While so much of this was motivated by the economic side, I worry that too many people in your country and around Europe seem to take for granted the geopolitical and strategic contribution of the European project, beginning with the Coal and Steel Community. The fact that war in much of Europe has essentially become unthinkable is to me a great accomplishment, but, almost like oxygen, it tends to go unnoticed.

I just worry that a new generation is coming of age that does not seem nearly as sensitive to what Europe has contributed to stability and seems mainly to see Europe as a source of frustration. In some cases, that is justified—I am not going to sit here and defend every regulatory practice that comes out of Brussels—but I worry about the absence of what you might call overall perspective on things Europe. Sure, I worry about Brexit, not just about what it might mean financially for your country and for Europe but about the knock-on effects around Europe.

I suppose the extreme optimist in me would say that it is conceivable that out of this could come a more realistic Europe of degrees of integration. There are lots of expressions for it in the literature. Just maybe that it what could come of it. My own view is that Europe has made all sorts of errors historically, in particular by introducing the euro and a common monetary policy without a fiscal counterpart. I just do not understand the structural unevenness of Europe, but we are where we

are, and now the question is whether this can be managed, at least in a way that is not wildly disruptive. Again, the optimist in me hopes that it might lead to creative conversations in which arrangements could be reached with your country and then conceivably others that would move towards the embrace of a more varied set of relationships between capitals and the centre.

I realise that that is all easier said than done; it will take a lot of time, and it will be distracting. It is what I sometimes say about ourselves. I look at the inbox that we all—governments, all of us—face and it is piled high as it is. This seems to be one of those things that we voluntarily, or in this case you voluntarily, added to your inbox, and I wish you had not.

The Chairman: I think we better leave that subject, because our focus is on the UK's position post-Brexit, so we will move on to the more hopeful future. I think we should get to a specific issue now: the Iran situation. I know that Lord Hannay wants to lead on that.

Q59 Lord Hannay of Chiswick: Yes, I wonder whether we could turn a little to Iran. While respecting your desire not to speculate too precisely as to what a Trump Administration might do in relationship with Iran, could you take us through a little of what a new Administration might do and what the consequences of the various options might be, particularly with respect to the Iran nuclear deal, the P5+1 deal, to which we and other European countries, Russia and China are parties, as well as Iran? Could it survive if the United States pulled out but the others stayed with it? Would the Iranians stay with it? How do we cope with the problem of Iran's ambitions in the nuclear field without such an agreement? Could we make that agreement longer than 15 years—perhaps generalising and globalising some of the constraints in it? Could you speculate a little not on what Trump will do but on what might be?

Dr Richard Haass: I find it useful when thinking about the Iran agreement and Iran more generally to divide it into three pieces, and your question got at all three of them, so let me break it down. One is: what do we do about the agreement for the duration of the agreement? Secondly, what we do about Iranian behaviour in realms not covered by the agreement? Thirdly, what do we do about Iran in the nuclear realm beyond the agreement? There are three different buckets, to use an inelegant word for which I apologise.

Let us put aside the question of whether this agreement is the one we would have negotiated or not and put aside my enthusiasm for it, which is tempered. It is the only agreement we have and it is mid-life, shall we say. I think we ought to insist on Iranian compliance. We ought to comply ourselves. As you know from your career and I know from mine, compliance is not black or white; there are always greys. The Iranians already have complaints about some areas, such as economic fulfilment. We have some concerns about what they are doing.

We ought to be scrupulous about compliance, because in the short run, were this agreement to break down, we would not be well served. While

this agreement is in effect, on balance it serves our interests in the nuclear space, and if we were the ones to take the initiative to undo it I believe we would achieve the unfortunate, extraordinary result of making ourselves more isolated than Iran. I do not think that is something we want to do. Sanctions against Iran at a time when we are seen as the ones who had led to the unravelling of the agreement would put us in an impossible, or undesirable, situation.

Mr Trump, even during the campaign, if I understand him right, did not talk about tearing up the agreement, as some of the other candidates did. Although he was critical of the agreement, he talked more about improving it. Already, the nominee for Secretary for Defense has articulated his view that we ought not to tear up the agreement. So my guess is that the emphasis will be on living with it, being scrupulous about holding the Iranians' feet to the fire, and so forth. On balance, that is wise, because the agreement significantly reduces Iranian capabilities and increases the warning time we would have if the Iranians moved towards so-called break-out.

What the agreement does not do in any way is deal with the full range of Iran's behaviours. There we have to accept that Iran is now essentially an imperial power. It seeks to advance its aims using a variety of tools throughout the region. It does it directly through proxies and working through domestic populations. It has massive influence in Iraq and Lebanon, considerable influence now in Yemen and it is doing things in Bahrain, so Iran is a real challenge. It is not a self-limiting traditional nation state. We have to acknowledge that, and where its behaviour crosses lines we need to respond. That could be with sanctions if it is support for terrorism. It could be sanctions over human rights concerns. It could be with military force. We could help target Iranian aggression or, if need be, we may need to react directly against Iran. Essentially, we should practice a policy of containment against Iran in the region.

Thirdly, as you suggest, this deal is not permanent. If my math is right, the limits on centrifuges expire in about eight and a half years and the ceilings on enriched uranium expire in about 13 and a half years. We had better think about the follow-on agreement and what kind of constraints we want to continue on Iranian nuclear capability, because the last thing we want is for this agreement to expire and for Iran to be allowed to have an unlimited number of centrifuges of the most modern variety and unlimited amounts of highly enriched uranium. If it were ever to reach those points, the break-out time—it is now estimated that we would have warning that it is getting close to a year—would literally become negligible. President Obama said as much in a radio interview a year or two ago.

We cannot allow that situation to arise, so one thing I think would be ripe for Anglo-American consultations and broader consultations including the Germans and so forth—ultimately with the Russians and the Chinese and then in negotiations with Iran—would be the follow-on agreement. As welcome as a respite is from the Iranian nuclear programme, we need

something more permanent, or the result will be not only a more aggressive Iran against the backdrop of a “nuclear shield”, but inevitably a lead to proliferation more broadly in the region, which is just about the last thing we need in what is already the most unstable part of the world.

The Chairman: Those insightful remarks, Dr Haass, pose for us something of a dilemma, as I think they do for you, but perhaps even more for us than for you. Our Prime Minister, who today happens to be in Bahrain, said the other day, “Gulf security is our security”. You know the Gulf well, as we all do, and large parts of it regard the greatest threat to their security as Iran. Are we not facing the dilemma here that our friends fear Iran—indeed, the Saudis express a very strong view, not to mention Mr Netanyahu in Israel—yet we are pursuing a policy that fills them with nervousness and outright fear? How do you suggest we tackle that dilemma?

Dr Richard Haass: I think you are essentially right, sir, in your description. It is not unique, though. We have had other situations in modern history where we have had a multidimensional policy. For example, when we negotiated with the Soviets during the Cold War, at the same time we contained the Soviets and had to reassure you and other allies in Europe. I do not think that in this sense we face a totally unprecedented structural situation, but it requires an awful lot of work to not surprise our friends and to make sure that they feel reassured. On the nuclear side, that might mean, for example, keeping them very much in the loop about the status of the agreement and our plans for a follow-on. It might also mean at times providing them with certain capabilities in the area of missile defence, with conventional arms or with certain types of security guarantee in extremis.

Again, we have to think about a policy of containing and, where need be, confronting Iran. That involves supporting and reassuring its neighbours, with the caveat that we also have to understand—this is where it gets really complicated to me—that some of the policies and objectives of the neighbours are not necessarily ones that we share. There is a front-page story in today’s *New York Times*, if I have my newspapers right, about how elements of Saudi Arabia are working against the US interest in Afghanistan because of money that is reaching the Taliban and money that is supporting Pakistan, which is providing a sanctuary. This is where the analogy with Europe to some extent breaks down. Our partners in the Middle East are not quite the same as our partners were and are in Europe. We have entered an era of diplomacy that, to me, is incredibly complicated, where we have a large number of countries that do not quite fit neatly on the spectrum of ally or partner but vary from issue to issue, or they might be somewhere in between. That makes it that much more difficult to deal with a country like Iran.

The Chairman: Can we move on from Iran to Iraq, another country where we have many woes and common dilemmas? Lord Inglewood would like to ask you some questions about that.

Q60 **Lord Inglewood:** Unlike your previous interlocutors, I have not met you

before, but I am sure that is my loss. I will pose a question in two parts, which I think are opposite sides to the same coin. In the evidence that the British Government have given to us, they place great importance on the legitimacy of the central Baghdad authority and on its part in the evolving developments in the country. Obviously, that hinges on both its legitimacy and its capacity. First, how would you estimate and assess the Government in that regard?

Secondly, looking at it from the other side, we are seeing the development of sub-state entities and so on in Iraq. What is the likely appetite in Baghdad and Washington for things developing in that direction?

Dr Richard Haass: You put your finger, sir, on two of the big issues that we have all wrestled with for some time. The legitimacy of the central Government is better than it was but not what we would like it to be. The same goes for their capacity, although we have seen some improvements in capacity. I think that the real test will come, as it always has, after the military phase of the struggle ends and places like Mosul are “liberated”. What kind of security and more importantly political governance arrangements will the Government be willing and able to put into place? Will it be enough to satisfy a large degree of the local Sunni population? We will have a market test. In the past, they have failed the market test. We will see what Mr al-Abadi and those around him are willing and able to do, whether the Iranians are willing to back off to some extent and whether the Shia militias are precluded from playing a significant role. I think we will then have the answers to your question, rather than me speculating on it. The past does not give me a whole lot of reason for optimism. That said, ever the optimist I do not rule out the possibility of learning, evolution and change. My guess is that rather than a black or white answer—that it will be a truly capable and legitimate Government or the opposite extreme—it will be somewhere in between.

That reinforces the transition to your second question. I think you will always have a degree of decentralisation. The writ of Baghdad will be limited, particularly in the west and in the Kurdish areas. The question is what the political compact will be. I think we ought to go with that, in the sense of being totally open to fairly loose, federal, even confederal, arrangements. The real question—it is one that I am wrestling with; I do not have the answer—is ultimately how we deal with Kurdish political ambitions and whether we should be willing to be open to the formalisation of Kurdish ambitions. To me, the issue is on the agenda. Probably the more acute question is less the Iraqi version than the Syrian version—what kind of relationship we have with the Syrian Kurds and how we balance that with our relationship with Ankara, with all the problems, particularly given the current Government. I guess that for the time being my sense in all these things is to avoid explicit formal sovereign status and statehood, with all the symbolism of those things, but essentially to go with considerable autonomy or de facto-like arrangements. We may recognise formal sovereignty in capitals, but we would have very active relationships that go directly to these entities. I guess that would be my advice.

More broadly in the Middle East—let me make one general comment, which makes me wildly unpopular in certain quarters—I do not think it is a vital national interest of the United States, although I will not presume to speak for the United Kingdom, to make all countries in the Middle East whole and that somehow we have a vital national interest in having countries where what happens on the ground comports 100% to what Mr Rand and Mr McNally represent on their maps and globes. I do not feel that that is a vital national interest. 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. The idea that we are going to wake up and have an Iraq, a Syria, a Yemen, a Libya or what have you that are normal nation states with governments in control of every last square kilometre of their territory is past; those days are over. I do not think that the United States should devote calories, much less human lives, to trying to recreate that. Much more, we have to figure out how to make the best of situations where the Westphalian model, if I can put on my academic hat, does not really apply to the contemporary Middle East.

Lord Inglewood: We understand that it is a matter of seeing how it goes, but it looks as if we are creating a Middle East that looks very like the Holy Roman Empire in 1618. Is that right?

Dr Richard Haass: It is really interesting how in the modern world we are seeing such different trends. We are seeing exactly what you say. It is a kind of reversion to the past in parts of the Middle East, where sub-state entities are becoming dominant and weak states are the norm, whereas in Asia we are seeing a super-Westphalian world of very powerful modern nation states. At one and the same time in this world, in two different regions, the geopolitics and the arrows could hardly be going in more different directions.

The Chairman: Baroness Coussins, your question fits well here. If we are not talking to governments, who are we talking to?

Q61 **Baroness Coussins:** Good afternoon, or good morning, Dr Haass. Do you think that US diplomacy and, indeed, UK diplomacy are keeping up with the shifts in regional power and the emergence of sub-state actors? Do you think that we are talking to the right people or to people, if they are still there at all, who may no longer be the real powerbrokers in their countries or regions? In your view, have the State Department and our Foreign Office adapted? Do they have the appropriate channels of communication into the region? What can be done to make sure that we are all more up to speed and agile in our engagement with the new interlocutors in the region?

Dr Richard Haass: It is a big question; let me try to break it down. First, we have a problem. I say this as someone who has worked in the State Department for quite a while and worked with your Foreign Office quite a lot. If I am right in the analysis of nation states where the central government are not able to fulfil the obligation that governments are meant to fulfil, which is providing security and stability within their

territory, it makes it very hard on those who are accredited to it. At least our case—I do not know about yours—we end up having fortress embassies where it is extremely difficult for individual diplomats to venture far out. We have seen that in many places. We have not essentially solved the problem. Where the security situation is sketchy, what we do? We cannot afford to put our diplomats in places where we cannot provide the security. As you know, we had an awful situation in Libya and elsewhere. We have everything in concentrated areas because we can provide a concentrated defence; we cannot provide, if you will, point-defence of every diplomat in every vehicle in every township. We do not have an answer to that. That might mean having more diplomats on patrol with the military and so forth, which is so far from ideal, but there you have it.

On the question of talking to sub-state actors, I would say it depends on the sub-state actor. I cannot imagine talking to groups such as ISIS. They want to bring the world back to the seventh century, we live in the 21st, and the idea that we are going to compromise on the 14th is not an attractive proposition. I do not think there is much to talk about there.

With some other groups that are, shall we say, less radical in their aims, there might be a case for dialogue on a case-by-case basis. You have John Reid sitting at the table, and we all went through the experience of talking to certain groups in Northern Ireland that were in one way or another transition from being paramilitary or terrorist groups to something else. Groups such as the Taliban, or some of the groups in Syria, fall into that grey area. Neither their agenda nor their means are necessarily to our liking. On the other hand, compared to some of the other groups, they are less bad and they might be the best, or the most, we have to work with.

That is not a very satisfying answer, but I am kind of practical on these things. We ought to have a sense of whether it is worth it in terms of their agendas and capacity to deliver. I do not know whether this puts me in the minority, but I have never thought of talking to people as a favour. I see doing diplomacy and talking with groups as simply one tool in our kitbag of ways in which we advance our interests, so I am totally practical about it. If I thought it made sense, I would be willing to do it. If I thought it was a waste of time or too dangerous, I would not. I will use the test of practicality case by case, rather than creating a hard and fast rule.

The Chairman: You mentioned, Dr Haass, the complexities of Syria and who we talk to and who we do not talk to. In the remaining minutes, perhaps we can go into that in a bit more detail, because I can see the opening up of a real transatlantic difference as to how we approach the Syrian situation. Lord Wood would like to ask you a question.

Q62 **Lord Wood of Anfield:** It is a pleasure to speak to you, Dr Haass. We keep dragging you back to predicting the future under President Trump. Up to now your country and our country have had a position of opposing both ISIS and the Assad regime and being on the side of so-called

moderate rebels who have lacked coherence and military presence to make a decisive difference, but if you take President-elect Trump at his word it feels as though he will move the United States towards a different position, taking the threat from ISIS much more seriously with a view to quashing it earlier and possibly having some kind of deal with the Russians with that shared objective in mind and some kind of accommodation with Assad's continued tenure in power, at least for the short term. Does that strike you as a plausible development of American foreign policy over the next year? If so, does it strike you as a wise one? We will take for granted that we are in a world of bad options. This is not as though it is a desirable strategy.

Dr Richard Haass: Yes, we are in the world of bad options. We are six years down the road and there is a lesson here that bad options do not necessarily improve with age. The choices we had five or six years ago, which did not look glowing at the time, look somewhat better than what we have now. To me, it underscores that not acting can be every bit as consequential in our business as acting. In my experience, in governments people are rarely as rigorous about the likely costs, benefits and consequences of inaction as they are of action. I say that because I feel better pointing it out.

I think what you describe is quite possible. It is always risky to assume that what was said during a campaign carries over into government, but it is quite possible that you would have a policy that basically said, "Let's double down against ISIS. We'll finish the liberation of Mosul in Iraq. We'll go ahead and liberate Raqqa. That is something we can accomplish. We'll largely do it ourselves and we'll bring in the Syrian Kurds and others, and we'll put on the back seat anything to do with the Syrian political configuration". This would mean backing off support for various Sunni groups.

If that is the policy, I would simply say that it leaves some very big questions. One is: what does one do in the aftermath of the liberation or destruction of the ISIS-held areas around Raqqa? Who provides security? Who provides governance? You would still have what is going on with Aleppo, so the question is whether that allowed to continue? Even if one accepts as a reality for the foreseeable future that the Assad Government are in power, including Mr Assad, what does one do for all the people in and around Aleppo, either just living there as civilians or fighting? Is any provision to be made for them to leave and be made safe? Can anything be worked out there? If not, we are likely to see a tragedy of enormous dimensions. Right now, with a lot of the routes apparently blocked, we are well on our way to seeing a tragedy of enormous dimensions.

Again, while I think the general bias of reducing the US role in the civil war and continuing or increasing the US role in the counterterrorist effort is likely to be the first dimensional approximation of American policy, it still leaves open some very big questions about how it is implemented. I simply do not know whether there are others there yet that have not been announced. My guess is that people are still wrestling with those questions.

We need to understand here in the United States that even if we grow weary of supporting the Sunni groups in Iraq, either because we think they cannot win or because many of them are too in bed with Sunni groups that really are terrorists, the Saudis and others will not. One way or another, this will continue. We should not think that if we decide to end or dramatically reduce our involvement with that dimension of things that translates into ending it. Others will not give up, so that kind of low-level Sunni effort will go on simply without our involvement, which probably among other things means that it could become even more radicalised in terms of who is doing it. The difference between those people and some of the “terrorist” groups such as ISIS or al-Qaeda offshoots starts getting smaller and smaller.

Q63 Lord Reid of Cardowan: Implicitly, and at times explicitly, in the first part of your answer you pointed at an issue that is sometimes rarely discussed—I do not know whether it is the elephant in the room—which is the follow-on from mainly military victories. The truth is that in the West we have been very good at winning wars and terrible at winning the peace. In Iraq, everything went swimmingly for six days. It was the following six years that were the problem. You are pointing out the difficulties in Mosul, Aleppo in Syria and so on. The one example from our history where we tried to win the peace was in Germany, where there was the massive Marshall plan. Are there any thoughts at all in the United States about the need for social and economic involvement, reconstruction and the conscription of civilian trades, from plumbers and electricians to judges and prison governors? After the last 15 years, it is amazing that there has not been more discussion about the need to win the peace. You alluded to one or two areas. Is there any discussion at all on this?

Dr Richard Haass: Well, John, let me say something about the successes of post-World War Two Germany and Japan, which both took quite a few years of occupation. What you had to work with there is for the most part absent from the modern Middle East. These societies were fairly advanced in their industrial base, literacy levels, the relationship between religion and society, the willingness to accept the authority of a Government and the homogeneity of the population. None of these things, for the most part, is present in the contemporary Middle East. We had fairly sizeable occupations in both Afghanistan and Iraq, and I would simply say that we have precious little to show for it.

At one time, we looked—I did a study of it when I was at the Policy Planning Staff—at the United States creating the equivalent not of a military reserve but of a civilian reserve. We would have all sorts of skillsets—from plumbers, carpenters and construction people to teachers—and we would cross-match that with language and other skills. In principle, if you had a nation-building need in country X, we could punch the button on the computer and come up with these individuals who had the language and various kinds of professional expertise. It never went very far. Also, these people cannot do whatever it is they do absent security. That seems to be the prerequisite. There is a bit of

chicken and egg. You cannot have security until there is economic development, but on the other hand you really cannot have the economic development absent security.

If I had to guess about my own country, I would say that after Iraq and Afghanistan there is real fatigue. One thing that we are seeing is widespread disillusionment with this heavy-footprint, ambitious foreign policy of trying to remake other societies. I do not think that there is much appetite for that after the experiences of Iraq and Afghanistan. I think we are moving towards a narrower counterterrorism-type policy, with a mixture of special operations forces, cruise missiles, drones and the training and equipping of select locals. We try to keep the terrorists at bay, but I do not think that you will see large-footprint, large-scale, ambitious programmes to remake countries. I think that we are out of that business for a while.

Q64 Lord Grocott: Dr Haass, you described very clearly the fluidity of the situation in the region, including boundaries, loyalties, the viability of states and all those issues. On Israel-Palestine, where we had news today of the development and extension of settlement activity on the West Bank, what certainties remain in foreign policy, which has been so based on the two-state solution, if the situation on the ground would appear to make that rather more problematic?

Dr Richard Haass: First, it is noteworthy that we have got through 55 minutes without this issue coming up, which must enter the Guinness book of world records for conversations on the Middle East. What is also noteworthy, for what it is worth, is that if we could snap our fingers and wave our magic wand and there were to be a two-state solution between Israelis and Palestinians tomorrow, that would have a virtually negligible effect on everything that we have talked about, I would argue. The idea that somehow this agreement holds the key to this troubled part of the world is simply untrue.

Lord Reid of Cardowan: That is why we kept it to the 55th minute.

Dr Richard Haass: That showed great discipline, I thought, great wisdom. I also think that at last the prerequisites for progress—what I once called, in a different book, rightness—are not there, given the division of political authority on the Palestinian side, given the nature of the Israeli Government, and so forth. John Kerry, as Secretary of State, devoted considerable time and effort but came up short. That is not a criticism of John; he just did not have all that much to work with.

So I do not think at the moment that this situation is poised, but your question gets at something that worries me. If you cannot move ahead now, you want to preserve opportunities down the road, if we get a moment when the politics may allow or some of the prerequisites are in place. Therefore; any settlement activity outside the three blocks that most experts believe would stay in Israel—there would be swaps to compensate for them with the Palestinians—whether it is new settlements, the legalisation of outpost settlements or what have you,

seems to me short-sighted. It just decreases what diminishing chances there are down the road for a two-state solution.

I am one of those who thinks that the two-state solution is very much in Israel's interest, not as a favour to the Palestinians but as the best way I can think of to make sure that the Jewish state is in fact Jewish, democratic, prosperous and secure. I get uneasy when I see policies that seem to prejudice or jeopardise the potential viability of a two-state solution, but that, alas, is the way we seem to be heading.

The Chairman: I am afraid this is unfinished business, like much else we have talked about. Lord Hannay has the final question to you.

Q65 **Lord Hannay of Chiswick:** You said you were an optimist. I share that position, sometimes uncomfortably. Do you think there is any realistic, non-quixotic hope that the Middle East could be placed in a situation where Iran and Saudi Arabia are not bitter foes and where countries respect each other's borders, do not interfere, et cetera, or is that so far off that it is not worth even retaining as a medium or long-term objective?

Dr Richard Haass: I wish I could sit here and say that I thought there was a respectable chance that that could happen. I just cannot in any intellectual honesty. If anything, I am worried about the other direction. Right now, the Iranians and the Saudis have been fighting what you call an indirect or proxy war in any number of venues: Yemen, Bahrain, obviously Syria and so forth. I worry at some point that the proxy or indirect war could get direct. That is one of the things that I would argue we need to guard against.

No, I see no glimmers of normalisation or regularisation. That might be a lack of imagination or vision on my part. If that is the case, I apologise. But sometimes in our business—you are a more experienced diplomat than I am—there are moments or opportunities when you can advance things. When those moments come up, we ought to exploit them and run with them. There are other times in this business we call diplomacy where the best you can do is try to keep things from getting worse and perhaps new things will pop up that give you something to work with. In the Middle East, I think we are more in the latter situation. It is not a creative moment, it is rather more of a preventive moment. Can we somehow manage to keep things from deteriorating, which may then buy us some time so that one day we can introduce a more creative agenda? But I just do not see the possibility of now.

The Chairman: Dr Haass, we have kept you before the cameras for exactly 60 minutes now, and you have been extremely enlightening and helpful. You have not disguised the fact that not everything is coming out in neat solutions or optimistic outcomes. On the contrary, there are all sorts of unfinished than business, and will continue to be so.

Nevertheless, we have learned from you, we value your input into our

inquiry and I hope we have the opportunity for further discourse. In the meantime, thank you very much indeed for sparing your valuable time with the Committee.

Dr Richard Haass: Thank you very much, and if I can ever help in the future, you need only ask, particularly given of my former colleagues on your Committee.

The Chairman: Thank you.

Examination of witnesses

Mr Paul Danahar and Mr Nicolas Pelham.

Q66 **The Chairman:** We will go straight on with our hearings this afternoon. We are now on the record, and we welcome Mr Danahar and Mr Pelham. We have taken away the offending camera so we can all see each other more clearly. Thank you very much for being with us. I just have to remind you formally that this is on the record. There is a transcript; you can alter it later if you want to change or add to it; but we are of course in public.

I think I saw off the record that you were listening to some of the earlier questions we had with our American colleague, Dr Haass, so you will know the general flavour of what we are after in this Committee, which is to reassess the distribution of power in the region and the changing policy implications for ourselves and, of course, our allies with whom we have worked in the past.

Funnily enough, right at the end we got on to a question that we want to start with from you. That is the Israel-Palestine issue. It was interesting at the end of the previous session that the Committee put it in the current perspective, which is that it is not number one. Everyone thought that if you solved Israel-Palestine you would solve everything; it turns out that it remains unsolved but a lot of other issues have come up which have attracted greater attention.

Let us start with that, because you are both very experienced in this area. What are the prospects for making progress with the Israel-Palestine situation? Is there any mileage left in policy-making for us in this country in this area? How can we engage with and influence the process? Also, does not being a member of the European Union in the full treaty sense affect what we might do?

Paul Danahar: In some ways, what happened in the American election will have a big influence on that; I am sure your previous witness talked about that.

The issue is that, broadly, in the new Administration there is not much sympathy for the Palestinian position, whereas there is a lot of sympathy for the Israeli Government position on many issues. However, the President-elect has talked about wanting to do the ultimate deal: he would like to be the one to bring the peace process to a conclusion.

Your language is absolutely correct: we used to talk about an Israel-Arab problem; it is now an Israel-Palestinian problem, because the Arab world is far too busy with so many things. John Kerry said a couple of years ago that within a couple of years a two-state solution will be dead: if we do not act now, we will go beyond the point of being able to reach an agreement.

In many ways, he was right, because what is needed on both sides is leadership that, first, wants to do a deal and, secondly, has the capacity to do a deal. The present Israeli Government is choc-a-bloc with people who do not want a Palestinian state, including Naftali Bennett, the Education Minister, who is a very important part of the Government. On the other side, within the Palestinian leadership, you have people who cannot deliver a deal because they do not have the authority in the Palestinian Territories: either they do not actually run part of it, in the case of Gaza; or they just do not have the authority any more. We have just seen the elections take place in the Palestinian Territories, and the Palestinian President has pulled power towards him again—but he does not have the support of many Palestinians; they just do not think he has delivered.

Unless you can find someone in America who really wants to do the deal and you have leaders on both sides who really want to do a deal, the longer it goes on—the Americans have said that they think that settlements are an obstacle to the peace process, and I think that is a broadly accepted point of view—the harder it gets. There will come a point where you will not be able to have a state because it will have all fallen apart.

But I do not think that peace in the Middle East is any more built around an Israel-Palestine solution because, as you said in your opening remarks, so much of the region is consumed with its own problems.

So I am not optimistic. The further it goes on, the more the Israeli body politic shifts to the right, the less chance there is that anybody on either side will be able to deliver or will want to deliver.

The Chairman: Mr Pelham, that is a gloomy but realistic assessment; do you agree with it?

Nicolas Pelham: I agree with a lot of it. The factors on the ground have not really shifted much for the best part of a decade. Western diplomats have focused on trying to achieve something that does not appear achievable in the short or even medium term. The pursuit of a two-state solution, if “solution” is the right term, has largely been a distraction. The focus should be on the here and now. It is very convenient when you talk

to Israeli politicians and diplomats to talk about something in the distant future. It immediately gets into ideological issues and diverts from what should be a very close focus on the dire circumstances in Israel and Palestine itself.

Israel pretty much holds all the cards in this respect, and if it is not ready to embark on negotiating a two-state settlement seriously, it should be treated for what it is, which is a single jurisdiction controlling the Palestinian population registries, controlling trade in and out—essentially controlling not just the Israeli population but the Palestinian population. It should be treated as a single jurisdiction and held to account as one. That means that where the Palestinian population under Israeli rule does not have full rights, there should be much greater focus on pressuring Israel to deliver in the here and now in real terms.

If there was one highlight of diplomacy during that period in which there was, at least at the outset, real delivery, it was access and movement. That was right at the end of the Bush era when there was the road map, which did deliver a change in Gaza and proved how Israel, regardless of whether it has a Palestinian partner, can change the facts on the ground. It also started to deliver greater access and movement, and if there is one thing I think that Britain could focus on both as long as it is in the European Union and once it comes out, it is achieving cross-land access and movement, in particular getting a sea route to Gaza. Gaza will fester ever more and will radicalise ever more without access to the outside world; it is simply not sustainable as it is. Having a sea route to Gaza could alleviate what is an ever-worsening situation.

The Chairman: Do any of my colleagues want to come in on the Gaza-Israel point?

Lord Purvis of Tweed: When President Abu Mazen made his speech about handing the keys back, was that in recognition that, as you say, there is unlikely to be a two-state solution? If there is an intervention by the UK or by other western powers, whether it is a Hollande initiative or a successor to it, would that not just be defeating the reality that there is unlikely to be some form of solution?

Paul Danahar: I think that Abu Mazen often offers to hand the keys back and says that he is going to resign. He also often says that we have reached the end of the road—but we never have, and that is part of the problem. The leadership of the Palestinian Authority has failed to bring in new blood, and what is needed is a different type of thinking and a more flexible approach to how to deal with the problems. In terms of outside influence, I have spoken to many members of Netanyahu's Government, his advisers and so on, and they always say that he just does not see Europe as being that important in terms of being able to carry on with the policies he thinks are important. Frankly, he sees everything through the prism of America and Congress. Ordinarily it has been about how to get around a Democrat President—but now a Republican is coming in, so it is very difficult for the Europeans to have much influence not only on the ground but also with the character who is driving so many things.

Netanyahu sees himself as a man who can persuade America, and because so much of America supports him he thinks that he can go round Europe. What would be more interesting is making our case if we are outside the EU. We are listened to in Washington and we are considered to be deeply knowledgeable about what is going on, with a sense of fairness in terms of where we think responsibility lies and what we think should happen. So I think that we do have a role, and in some ways potentially more of a role because we will be speaking to an American Administration from our point of view and I think that, in particular this Administration, will seek our opinion quite strongly. Whether it will make any difference, I do not know, but our voice will be heard.

Lord Purvis of Tweed: Are we listened to in Tel Aviv and Ramallah rather than in Washington?

Paul Danahar: I think we are seen as people who should be listened to but not as people who have to be listened to. They will listen to us, but obviously they do not need to do what we say. I do not think they see what we say must be done as a particular threat because we have offered lots of advice over the years about the settlement issue and the need to ease trade in Gaza and allow Palestinians to move backwards and forwards more easily across the West Bank and in Israel. They do what they want, in many ways. We can persuade them, and we have had some very good ambassadors who have done a good job of trying to make the case privately. But all roads lead through either Congress or the White House and our role is going to be more one of persuading the Americans that this is not necessarily the best way of doing something rather than persuading the Israelis or the Palestinians directly to do something themselves.

The Chairman: Do you want to add to that, Mr Pelham?

Nicolas Pelham: I will say only that it is a reflection from the Palestinian perspective that Israel holds almost all the cards. If it wants to effect change, it can do so. In answer to the earlier question about what difference it would make, it is true that it has shifted right down the list of priorities, as Richard Haass was saying. That said, it is still a black stain on western efficacy in the region. It makes the western ability to achieve a settlement look impotent. If there could be a resolution, I think that the knock-on effect would be quite considerable. It would show that disputes in the region are not necessarily primordial but that communities can resolve their conflicts. We treat Israel and Palestine as almost separate from the rest of the region, but to me their problems and divisions seem to be very much a part of the regional pattern of breakdown in communities which 100 years ago lived together amicably but now do not. What is happening between Jews and Muslims in Israel and Palestine is also happening between other religions and other sects all over the region. It is part of the regional map; it is not an anomaly.

Paul Danahar: One thing that we should remember is that Hamas is not ISIS in a way that the Israeli Government say it is. Hamas is fighting for land and ISIS is fighting for something entirely different in the region. So

when we ask about negotiations, the Israelis have had more negotiations with Hamas than they have had with the Palestinian Authority—they just have not done so publicly. That is why we have had an exchange involving one of the kidnapped soldiers and why certain agreements over movement have been made. They can do deals and they can conduct negotiations, but they have to feel that it is in their interest. However, I think that so far they have broadly not thought that it is in their interest.

Q67 Lord Reid of Cardowan: I take the point about the distinction between Hamas and ISIS. It is not an absolute distinction and indeed I thought, although he did not mention it, that perhaps Dr Haass was alluding to that very scenario, although he was not specific. We have talked about the Palestinians and you alluded in your opening remarks to what might be called the increasing intransigence of the body politic in Israel—the shift to the right or being prisoners of the right. To what extent is that a result of external factors? In other words, is what is happening in the Middle East causing the dropping down of the prioritisation of concentration on Israel-Palestine, or is it the external turmoil in Syria and the increasing worry about Iran? To what extent is it internal Israeli factors such as the immigration of particular types of Jewish people from other parts of the world? Is it possible to give us a sense of the balance between those factors?

Paul Danahar: I think that this is largely an internal Israeli thing. Part of it is a generational shift. The parents of today's 20 year-olds are in many ways more liberal in their attitude towards the Palestinians because their children were growing up during the Second Intifada and were deeply scarred by it. Because nothing has really happened, we have seen more settlers on the West Bank and in East Jerusalem. They have been quite sophisticated and politically active, in some cases even to the extent of undermining the primary process for Netanyahu's party and thus getting themselves into a much stronger position in Parliament. You have this incredibly fractured Israeli body politic where you need only four or five seats to be very influential. So much horse trading goes on, which shows that if you get involved in politics, with just a few seats you can really change government policy.

We have seen that with the ultra-Orthodox, many of whom are not supposed to be involved in politics at all but have noticed that the only way to push their agenda forward is to become politically active. We have seen that not only with the ultra-Orthodox and the militantly religious settlers; there has been a general change of view. They saw the wall—the security barrier or whatever we want to call it—go up. Many people I have spoken to who are very liberal and believe in a two-state solution have also said, "I sleep better at night because of it". We are seeing something else. Colleagues of my age remember interacting with Palestinians by meeting them on the beach and travelling to the West Bank. Now a generation is growing up that is almost entirely divided. If you are a Palestinian you only ever meet an Israeli who has a gun. If you are an Israeli there is the idea that if you cross over into the West Bank you are likely to be slaughtered as soon as you do so. These positions

have become deeply entrenched, and the more the two sides are kept apart the harder it will be to make them believe that there is a friend, or at least someone they can do business with, on the other side of the security barrier.

Nicolas Pelham: I will come back on that very briefly because I do not see it in entirely the same way. Some 1.5 million Israeli Arabs are becoming ever more integrated into Israeli society. In some ways there is now more contact on the campus, in the workplace and in the health centre between Israelis and Arabs than there was in the past. Settlements are planted right inside Palestinian communities in the West Bank. The reason why the two-state option is moving further and further away is because there is ever more mixing of the populations rather than less, whether that is through Israeli Arabs moving back to the coast or settlers moving into what were in the past Arab coastal cities. There is probably more contact now than there has been. If the two sides really wanted a two-state settlement they would have gone for one, but increasingly what we are looking at is a society that does not want to define borders and ultimately sees a future that is intertwined rather than separate.

Lord Reid of Cardowan: Those appear to be two diametrically opposed views. That is not say that there are not elements of truth in both of them, but it is certainly an interesting response.

Paul Danahar: The Israeli Arabs are Israeli. They are living in Israel and they try very hard to be part of what they consider to be Israeli society. Many Israeli Arabs that I have spoken to consider themselves to be Israeli—Israeli Arabs, but Israeli. I am talking about the capacity to deal with the relationships in Israel between people who are not meeting—the people in the West Bank and Gaza. I think that there is interaction with Israeli Arabs, but they are a very different group of people who have been leading a very different kind of life over many decades from the lives of the people of the West Bank and Gaza. They have different realities when it comes to dealing with the Israelis.

The Chairman: We will broaden this out a bit. I will ask Lady Hilton to put a question.

Q68 **Baroness Hilton of Eggardon:** We have been talking about fragmentation in Israel, but generally throughout the Middle East there is increasing fragmentation so that minority groups like the Kurds, Hezbollah and so on, have become important. This poses a difficulty for governments who are used to talking as one government to another. Now there are all these other groups which have proliferated and become important players in the region. Do you have any suggestion about how governments should interact with them? Is the old pattern of diplomacy perhaps not adequate to deal with the new situation?

Paul Danahar: In some cases the groups you are talking about are proxies for or are used as proxies by other regional powers. Some like the Kurds have very clear aspirations. Our problem at the moment is that

none of them is powerful enough to be able to act on their own, so they are beholden to whoever is providing them with political, financial or military support. It is difficult to deal with these people directly without taking into account the fact that they often have another master.

It rather depends on where you are. We see that the Kurds have a very clear idea of what they want and they have proved they can work well with western armies and western powers, but it is more difficult to work out what the different brigades want in Libya and what the different fighters and militias want in Syria and Iraq. That is because the situation is deeply fragmented. In Libya in particular you can walk from one street to another and you are in someone else's territory. There is absolutely no ideology behind it, it is just a question of "I want this, you want that, and we are going to fight for it". It depends very much on which area you are talking about and on the history of the people. Iraq, for example, was held together by a strong man, as was Syria, but in Egypt it was slightly different in that you had Coptic Christians trying to manage their relationship with the majority Sunni people. This is a complicated issue and will remain so until things start to settle down and we begin to understand who the leaders are. A major complication is that we do not know who we are really dealing with. I recall speaking to a diplomat in Lebanon in 2012 who said, "There is no Plan B apart from the Sunni business world getting rid of Assad. Then we will take the next tier down and work it out". Later it was, "The fighting's terrible but eventually someone will emerge, a Mandela-type figure, who will lead the opposition, and that is the person we will deal with". But we have not seen that and it is difficult to know who to deal with.

Nicolas Pelham: If there was one comment that Richard Haass made that slightly jarred, it was that American policy will become increasingly reliant on counterterrorism measures. It seems that too often in the region when military options should have been the last on the menu, they are the first. Engagement does not cost a great deal and can yield immense results. I think that much of the reason for the fragmentation we are seeing right across the region today is simply down to extremist policies of exclusion and alienation—good guys and bad guys, moderates and extremists. They are very divisive and alienating and they increase conflict rather than resolve it. This is not a region in which conflict is somehow innate. Indeed, for hundreds of years the region was one of the more peaceful, pluralistic and stable areas of the world. These were populations that could live together. We have to look back at the past 100 years of western involvement in the region and ask, "Where did we go so badly wrong? Why have we made such a hash of the place?". Much of that is through not engaging with the actors on the ground and resorting to military options first.

The Chairman: It is a very worrying scene.

Lord Purvis of Tweed: Is it about the absence of the dictatorial and repressive strong men in Iraq and Libya, and perhaps a degraded Syria if Assad carries on in the future? Do you think that there is an option for

alternative forms of governance in Iraq, Syria and potentially Libya, perhaps with a more decentralised structure that reflects the realpolitik of what you have told the Committee about the territorial desires of the different groups? Can you see those countries being governed in a stable and territorially more secure way by being more decentralised? If that is the case, should the UK actively support that?

Paul Danahar: Look at what happened in Iraq when the Americans decided they were going to divide it into this sector, that sector, this sector—they were going to split everything up. There was sectarianism in Iraq beforehand but people lived together on the same streets and intermarried. It was there but it was not the defining factor of life in Iraq. The Americans forced this idea on them. It was terrible. It broke down and caused a lot of the violence we are seeing today. We will inevitably have to let a lot of these wars play out and then, when people get to the point of exhaustion, hopefully they can be persuaded to accept either a Lebanese model or a devolving of regional power. Probably the most successful way to do it is for us to be involved in local governance; to try and give people something to bypass the problem in the Middle East that if you give money to the top it tends to stay at the top. If we can be involved at a much lower level in the future, when things settle down we can try to rebuild governance in local communities and get involved in things like creating a police force. What people need to see when we come out of this is that they live in a society where they are fairly judged. There needs to be an honest judicial system and a police force that is relatively well paid and therefore does not force bribery out of them. If we can build that into our ambition to devolve power, people will see the change on their front doorstep. That is the key thing we need to do.

However, we know what we are pushing against. I spoke to the Director of the CIA last week and asked him, “Do you think Russia’s ambitions will stop in Syria”? He said, “No. They will continue and widen”—the phrase he used was, “Russia’s on the march”—and they want more influence in the Gulf, Egypt and Syria”. We will find ourselves pushing up against the Russians and their ambitions, which are very different to what we would see as the way to move democracy forward in the Middle East, as we have found over the last eight years. Donald Trump in many ways is not a handbrake turn away from American foreign policy. The Obama presidency was the beginning of that transition away from involvement in the Middle East and I think Trump will be an extension of that. All we are going to see potentially is a vacuum forming that is filled by Russian influence. In the same way, allowing the Arab League to be involved in supporting democracy in Syria, when it is clearly not the best at running democratic systems, was always slightly flawed. The same may be said of the Russians having a much deeper involvement in what comes afterwards than us and the Americans.

The Chairman: Lord Reid, I am sorry. I meant to bring you in earlier. Do you want to follow up on this subject?

Lord Reid of Cardowan: I did not. However, on your final statement

there, I will say that I have read your book, which is extremely readable, especially compared to some of the others.

Paul Danahar: It is a low bar.

Lord Reid of Cardowan: Is it really a question of democracy? Is that our starting assumption, or is it stability?

Paul Danahar: We tried stability for a long time by allowing the Mubarak and the Gaddafis and what not to continue, and it blew up on us.

Q69 **Lord Reid of Cardowan:** It blew up on us largely because we made it blow up on us in Iraq—certainly to some extent. We intervened militarily through the no doubt good and sincere intentions—I plead guilty; I was in the Blair Cabinet—of liberal interventionism in order to get democracy. That is the question I am asking you. It is an open and moral question. Were the results of that, for the foreseeable future, better than the situation where we had the powerful men who held those states together for bad and worse?

Paul Danahar: I think we have to say to ourselves that it is very simple dealing with people like that, but is that the way we want to run our foreign policy? It may be that it is. It may be that we have to put our national interests first. If there is one thing that has come out of the Arab uprisings that we should all champion it is what is going on in Tunisia. It is the only place in the region where people can look and say, "There is a place that is trying. It is not quite working but it might work". We in the West should try to support the closest thing there is to a functioning democracy in the Middle East—in the Arab world; I am not talking about Israel here. That is where people could say democracy is a Middle Eastern experience. People were told beforehand that democracy is not for the Middle East and it cannot work. I think it can work, and Tunisia is an example of that. I do not think we can impose democracy but we can encourage the right kind of people to meet the values that we feel we should have in our foreign policy.

Lord Reid of Cardowan: Is it your view and Mr Pelham's view that among the broad swathe of the younger generation—I do not mean only people in cities—democracy is a higher priority for them than, say, secularism or stability? Do they share the presuppositions that we take in looking at the Middle East?

Paul Danahar: I do not think that anyone would take democracy over security. If your daughters cannot walk home from school without being attacked or disappearing, being able to vote is entirely useless to you. Certainly people within the Middle East, in many countries, today will say, "I will take security. I may have to deal with not very pleasant people but I might be able to keep my head down and survive". People feel slightly let down by democracy because they tried it and it did not seem to work. I am not sure they had the necessary support they needed to make it work. I think you are right: we cannot just say, "You can vote now. Your

life is miserable but you can vote". There needs to be an environment where people can say, "I can walk to the voting station and get back alive", before voting becomes that important to them.

The Chairman: Do you want to add anything, Mr Pelham?

Nicolas Pelham: Yes. I would be wary of the complacency of relying on strong men. It did not deliver a stable Middle East. There were wars all over the region under these strong men. It is easy to forget what happened with the Kurds and the Shia in Iraq. There were cycles of violence. This is a region that has been living with violence and sanctions for generations. It is worth remembering that a study of youth was published in 2010 in Egypt which looked at the low rates of youth participation in elections and in civil society generally. It concluded that this was an apathetic generation and then, a few weeks later, the youth spilled on to the streets. It does not matter whether you call it democracy, participation or accountability, there are major problems of alienation across the region. If you have not read it, look at the latest fascinating Arab development report, which is horrifying in its figures. Ten or 12 years ago there were five wars in the 22 Arab states; there are now 11 in half of them. Arabs constitute about 5% of the population but they are responsible for over half the world's terrorist attacks, refugees and displaced population, and 68% of its battlefield deaths. These are really horrendous figures. More has to be done than just putting a strong man in control. It is not delivering in Egypt and it is not a recipe for long-term stability in the region. Something more needs to be done.

Lord Hannay of Chiswick: You have said that the Kurds know what they want. I think you mean by that that they want an independent Kurdistan. We have heard evidence that, although that remains an aspiration, in fact the Kurds are rather realistic, most of them, and regard a high degree of autonomy in the four countries in which they are situated as probably the most they can hope for in the near future. Could you perhaps therefore define what you mean by the Kurds knowing what they want?

Paul Danahar: I think you are right. When you deal with the Kurds they will tell you what they are hoping for and what they are planning to do. Their fighters have also proved that they can be very effective, although by that I do not mean they are expecting to get a Kurdistan. They are fighting for autonomy in certain areas and they are realistic about some of their ambitions. They can be said to have fought in areas that are not necessarily part of the creation of those autonomous areas, but they are doing it so that they are seen to be on the right side in these conflicts. They are much less fragmented. If we refer to "Shia" or "Sunni" groups in Syria, we cannot really say who we are talking about, but when we talk to the Kurds in Syria, we know the kind of people we are dealing with. That is what I mean: they are already drawing the map of what there is going to be in an area.

Lord Purvis of Tweed: As an aside, I was speaking to two Tunisians last week, one of whom said that democracy has failed in Tunisia. The

response from the other Tunisian was, "Well, Italy has had 62 governments since the Second World War and they are still trying. We should persevere". I thought that that was an interesting perception. I want to come back to your comment, Paul Danahar, about Lebanon, which has effectively entrenched a confessional system in the constitution as a method of government rather than decentralisation. With your experience, do you think that such a system has the potential to offer a more stable way forward as a form of government in countries experiencing significant conflict? Simply decentralising government has the potential to entrench the kind of divisions that caused these conflicts in the first place.

Paul Danahar: When you go to Beirut you will be told, "This summer there is going to be a war". Every summer there is going to be a war, and we all believed that Lebanon would be dragged into the Syria conflict, but somehow the Lebanese have managed to hold things together. That is largely to do with the fact that they went through their own civil war for some 15 years and they still remember the consequences of that. The reason why their system is holding together is that people can remember what the alternative was. It may be that we end up with something similar in Syria, but anything that can bring about an eventual end to what is going on at the moment will look like an attractive proposition. While what happens in Lebanon is not perfect, at least it offers something that says, "You have a role to play. This is where you can have influence and see your needs being met". Of all the possibilities, I think you are right: a Lebanese-style solution for Syria is probably the closest we will get because the country has become so deeply sectarian. Communities have been torn apart and there has been so much brutality that it is going to be very hard for people to put their identity to one side and go back to being Syrian again. That is one of the ultimate tragedies for the country. Syria had its problems but the people one met were intertwined in many ways, particularly in urban areas. We cannot get away from Syrian identity politics—religious identity politics—because the situation has been so brutal. People have been thinking, "The only way to be safe is to move into that neighbourhood and to support that group". The longer that goes on, the harder it will be to put it to one side.

Lord Inglewood: Nicolas Pelham, you have talked about the shortcomings of strong men and that something more is needed. Can you tell us what that something more might be? I would be interested to know if you have any more thoughts in that direction.

Nicolas Pelham: I shall try answer both of your questions with one response. I have spent some time while back in London looking at what has worked in the region in the past and what is failing now. There seem to be three key elements that have provided stability. The first is a degree of devolution and the second is a mechanism for managing sectarianism because identity politics are not new in the region. Unlike Europe, this is still a region that preserves indigenous sects, but there is a mechanism for holding them in place. The third element, which I hope will answer your question, is that there was a common market—a means

of free movement, access and trade. What has been sorely lost in the fragmentation and partition we have seen over the past 100 years is the ability to move around. At the moment there are very few safety valves in the region. It is an area in which small states and xenophobic rulers have put up ever-higher barriers and where you need an ever-higher number of visas to move around. If you are an Arab from certain states, you will need 18 visas to access the 22 Arab states. There are separation barriers, walls, embargoes and exit permits which make moving around in the region a nightmare. It is often easier to get to Europe, and one of the reasons why we have seen refugees is that people are looking for a way out because there are so few opportunities inside the region. Social mobility and movement across the region are absolutely critical. Something like 10% of the Arab world's trade is with itself—and this is a region that used to have open borders and open access. I came across a fascinating statistic recently which showed that if you had a tariff-free region and a common market, GDP over seven years would increase by something like \$760 billion, the equivalent of Morocco's annual GDP. The barriers to movement and the frustration that that leads to is something that we will come on to. We need to look at how we can open up the region rather than close it down.

Lord Grocott: I want to pick up on what you said earlier, Nicolas Pelham. You have painted a very bleak picture of the Middle East today and have given us an equally bleak résumé of the involvement of foreign powers in the region. What implications does that have for British foreign policy today?

Nicolas Pelham: I sometimes wonder whether Britain and Europe in general are now so consumed by their own internal affairs that they are not looking closely at what is happening in the Middle East. A few days ago I met an ayatollah who is an advisor to the Supreme Leader in Iran. I was astonished to hear him bemoan Brexit. He felt that it would be absolutely disastrous for the role that Britain can play both with the United States, because it will lose its collective power from being part of the EU, and its voice inside the EU, and that this would have serious consequences for Britain's voice in the region.

There is one thing that Britain could do which would make a huge difference. What people bemoan in meeting after meeting across the region is the difficulty of getting visas to visit Britain—not Europe or the United States, but particularly Britain. Track II meetings¹ are held in London but people cannot attend them because their visas do not come through. If one single thing would help to maintain Britain's influence in the region, it would be allowing people to come over here.

Paul Danahar: It is now more difficult for Britain to have influence in as many places as it used to because it could be seen to be bringing Europe along. I think the Americans are disappointed about Brexit, but with an Administration that has very little in the way of foreign policy experience,

¹ Track II diplomacy involves non-governmental, informal and unofficial contacts and activities between private citizens or groups of individuals (or non-state actors).

there is the prospect of us being able to have more influence in terms of shaping events where America considers itself to have interests. I think we have quite a strong role to play with regard to where we go from here with Iran. There is a lot of hostility towards Iran in the new Administration, so perhaps we can bring a different perspective to that.

One of our great roles is to help people understand that Islamophobia is not a good thing; it does not help in the Middle East nor in all sorts of societies. Again, we talk about whether it is in our interests to push democracy. Perhaps it does not seem that way, but if you look at Egypt and India, in many ways they seem to have similar problems—massive levels of corruption, bad infrastructure and dysfunctionality on many levels. Their politicians are often equally dysfunctional. However, in India, because you have the right to walk down the street and shout abuse at your leaders, and because you have the right every now and then to vote them out, there is a pressure valve release that works in that society. Do we think that India or Egypt at the moment is making a greater contribution to the world, to the British economy to the values and the things we want to see happening around the world? I think we would say that India is doing a better job of that. We should not underestimate our role from here, but for the near future we have probably damaged ourselves in the eyes of many people around the world because they are waiting to find out how much influence we do have. That may mean that we have to recalibrate how quickly we think we can do things until it becomes clearer exactly what role we are going to be able to have and how people are going to see us in the future.

The Chairman: One of the things underlying all our questions, as you have probably sensed, Mr Danahar and Mr Pelham, is whether the intervention of the powers, at least in the old way we used to intervene, is adding anything at all to the process of stabilisation and economic progress. You talked earlier about Russian involvement, and earlier than that you talked about the need to encourage the roots of local government development and so on. How on earth have the Russians got anything to say about local government development?

Paul Danahar: I do not think they do.

The Chairman: The answer is of course that they have not. What they have is force and gold—not as much gold as they did have but a shared resource and money well distributed is still a way of buying influence in the area. In that sort of context, where are we now? Following Lord Grocott's difficult question that was met with silence, where are we now in our new policy if military intervention is out? Do we use the new techniques of soft power we talk about or do we just want to stand back?

Paul Danahar: I do not think we should be standing back. At the moment we are trying to assess exactly what we should be doing. I guess this inquiry is a reflection of that. We have an important role in the world and in the Middle East. We can have an influence in Tunisia. It has not normally been an area where we have been deeply involved historically—it was never in our sphere of influence—but we should be involved there.

As Nicolas said, we should try to make sure that the situation does not get any worse in Israel and Palestine because, if we walk away from keeping our eye on it, it has the potential to get worse. We should keep an eye on Iraq and make sure that we do not go back to the days of the Maliki-type figure, who sows more distrust and hatred and then it blows up again. We have a role in trying to encourage other western powers, particularly America, not to walk away from the region. We have seen a slow drift away from the region by America and part of our role as a very close ally is to remind them that things come back and bite you if you walk away.

Q70 The Chairman: We have talked a great deal in this Committee about networks. Everyone now talks about networks rather than old-fashioned bilateral Government-to-Government relations. Is there something particular that we could do in helping to build up the Arab League, the Gulf Cooperation Council and some of the new initiatives that are coming out of Riyadh? Given our traditional skills in operating in international institutions and in institution building, have we got a special role there?

Nicolas Pelham: Some of the most effective diplomacy I have seen from Britain in the region has been in Iraq in crossing the religious spectrum and trying to negotiate local on-the-ground deals in Diyala province north-east of Baghdad, where there has been serious displacement of the Sunni population by Shia militias, for returns of populations. Diplomacy can still play a critical role. British diplomats are some of the best in the region. They have a historical knowledge and Britain is still valued because of its historic role in the region. It worries me that there is going to be a moment of realisation. Diplomacy can be very effective. The other area I would explore much more than has been done is reaching out to religious leaders in the region. Too often they are seen as spoilers and extremists. Again, historically they have played a critical role in bringing communities together. Iraq would have been even worse than it is now without the role that the Hausa and Ayatollah Sistani has played. They can be bridge builders as well. Britain can play a role by involving religious leaders where too often political leaders have failed.

Paul Danahar: I would echo the point that we really do have fantastic diplomats across the Middle East. They are deeply involved in trying to understand the countries and they are trusted by people. We should not underestimate that. We are lucky that we have that depth of knowledge and experience. People will listen to us because they know that we have been around for a long while and that our diplomats are people who have been working on something for 20 or 30 years who know what they are talking about. While we work out how we play our role, we should not assume that we are not going to be playing one. We should assume that our influence around the world will be just as important, but the mechanisms by which we do it may be different. We are a really important player in the Middle East because people will listen to us in a way that they will not listen to many other countries.

The Chairman: If this is not a crude question, is our influence also geared to the amount of resource we put into both the machinery of

diplomacy and indeed into straightforward support for local activities? We have a list somewhere of the various hundreds of millions that we have disposed of in the Middle East, mainly to poorer communities rather than those that are hyper-rich in oil and hydrocarbon resources. What have we got for all that money? Is the answer “more” or is it “less”?

Paul Danahar: It is hard to say whether, if we had not done that, things would be worse. As I said earlier, we should try as much as we can to help to build institutions from the ground up because it never really works in the Middle East to do things from the top down. That is why I talked about the police force. We tried to do something like that in Egypt but the Government refused it. If we had been successful during that two-year period to help transform the police, that would have made a difference on the ground for the Egyptians. In Egypt we have gone back so far in so many ways that we are now in a situation that is almost worse than it was in 2011. I would also say that perhaps we need to be more selective. We need to do the things that we intend to stay with because we will not see the fruits of those labours for a long time. It is difficult to talk about local governance when the entire place is falling down around our ears, but there should be an ambition, once things start to stabilise, to build a civil society that can begin to enrich the democratic process and perhaps lead eventually to some form of democracy.

Nicolas Pelham: What worries me about the allocation of British aid at the moment is that we seem to be going down the American road of trying to build up local actors; it is becoming more politicised. Aid is going to where it can go rather than looking at the broader social development of the region. This was particularly glaring in Gaza where every effort was taken to ensure that even at the municipal level, where the municipalities were largely being run by Hamas, there could have been engagement. Even though quite a lot of aid was going in, it did not always serve the objectives it was designed for. Just to create a sense of realism: do not let the politics that empower the notion of moderates and extremists determine where aid is going. That can often make matters worse and tends to lead to radicalisation rather than heal the wounds in society.

Q71 **Lord Grocott:** We have managed to get through the hour, unlike with other witness, with barely a mention of Sunni-Shia issues. Perhaps that is because we have not asked the questions. Let me make it a general point. How significant is that relationship or lack of relationship to politics in the Middle East? Do you see these issues becoming more salient in the future or do you see the development of perhaps more pluralist societies?

Paul Danahar: It is incredibly important today because Sunni-Shia is how people have had to define themselves in order to survive, and I think that it will take an awfully long time for it to move into the background. I agree with Nicolas that we should not simply say, “They have been doing this for more than a thousand years and so that is what they do”. What has happened in places like Syria and Iraq is that it has become much more important to identify yourself as Sunni or Shia because it is a means of survival—it is a way of saying, “I am less likely to be killed by this person than if I align with that person”. This will be a very important

issue in the coming years, although eventually it will move more into the background. However, it is difficult not to consider it as a major factor over the next five to 10 years as we try to help to resolve some of these issues. The other problem is that in places like Iraq there will be a very strong Shia militia. So far it has done well in that it has not been carrying out the atrocities we have seen in other Sunni areas it has gone into. If the bits of the state that are largely of one religion act properly towards the people of the other communities, we may be able to ease some of the tension, but it will be difficult to get away from Sunni-Shia identity and its influence on politics in the region until some of the atrocities are consigned to memory.

Nicolas Pelham: I agree with all of that and would add that we have imposed this binary model on the region that historically has not been seen in that way. We think of the Houthis as being Shia when they were Zaidian and always prayed in Sunni mosques and were considered by the Twelvers to be Sunni. The complexity and subtlety and diversity of the region has become rather lost in this binary division, much of it fuelled by geopolitics. Again, the ayatollah I spoke to was remarkably cynical. He said about sectarianism that we need to mobilise populations and that it will go away when we do not. One of the reasons why these proxy wars have been played out in recent years is because there has been an excess of money from oil revenues to do so. Neither Saudi Arabia nor Iran can afford to fund these wars at their current rate at the moment. Their deficits are soaring because of their external adventures and they will need to rein them in. The agreement achieved at OPEC between Saudi Arabia, Iran and possibly involving Russia was illustrative of that. I do not see a collision course being the only scenario. There have been steps in Lebanon towards setting a precedent for the new Prime Minister with the agreement of Iran and Saudi Arabia. Some talks are going ahead in Yemen, but an uncontrolled Saudi Arabia and Iran could try to break each other up. It can get an awful lot worse but it can also get much better.

The Chairman: We have received a rather clear signal that perhaps our question session should come to an end. Your expertise goes far further than our questions, but that would take another hour or so. We cannot do that because we have all been summoned. In the meantime, we thank you both very much indeed for illuminating what is a very dark and complicated area.