

## Vital steps in the Middle East: What the British Government should do now

Speaking to the Global Strategy Forum today, Shadow Foreign Secretary, William Hague said:

“We have a new Prime Minister and a new Foreign Secretary. The foreign policy challenges which they face now, and which those of us in her Majesty’s Opposition may well face after the next general election, are perhaps more complex and difficult than any faced by their predecessors at any time since 1945. As a country we are engaged in extremely challenging NATO operations in Afghanistan, in stabilising Iraq, in trying to breathe new life into the stalled Doha trade round, in pushing forward international action on climate change, in trying to bring peace and stability to the tragedy-struck people of Darfur, and, wrongly in my view, trying to get away with a new European Treaty without honouring the pledge to consult the people of this country in a referendum. And as the events of the last seventy two hours have vividly demonstrated, we remain on the frontline of a struggle against terrorism, which has acquired new potency, new forms, and new causes.

Each of these, and indeed, other foreign policy issues can easily be preoccupying but the single most urgent set of issues for new Ministers are those relating to the Middle East. Today, I would like to focus on the challenges we are facing in the region.

David Cameron and I are determined that when we come to office, we and our relevant colleagues will be steeped in knowledge of the current events and indeed the history of the Middle East. And, accordingly, we are doing our utmost to learn.

I hope that Ministers will approach the region with the same attitude, for it is certainly true to say that the Middle East today faces crises more extensive, more complex, and more dangerous than at any stage in recent decades. Over the last ten months alone, we have witnessed:

- A war in Lebanon which cost over 1,200 lives and saw 300,000 Israelis and one million Lebanese temporarily displaced from their homes;
- Continued military operations in Iraq entering their fifth year, now

with a loss of 156 British and 3,539 American lives tens of thousands of Iraqi citizens killed, over four million Iraqi refugees within Iraq and neighbouring countries, and an average monthly cost to the United Kingdom of £100 million;

- The seizure of fifteen of our Royal Navy personnel by Iran,
- The capture of the Gaza Strip by a group still committed to violence and on an apparent collision course with Israel;
- Ongoing political assassinations, violence and the rise of Islamic militancy in Lebanon which killed 170 people last month alone; and
- The emergence of Iran as the ‘invisible hand’ in the Middle East; apparently stoking violence in Gaza, in Afghanistan, in Lebanon and in Iraq, seeking to maximise its influence and undercut international efforts to contain its nuclear programme.

Future events in the region could be even more horrifyingly dramatic with:

- Increased tension as Iran’s mastery of enrichment technology draws steadily closer to a critical point over the next twelve months;
- Further attempts to destabilise Iraq, Lebanon, Gaza and the West Bank in an Iranian backlash against international pressure;
- Increased tension in the whole Gulf region for the same reasons, with the recurrent risk of a jolt to world oil prices;
- Of course, the ever present threat of a major terrorist attack in the region, just as much as outside it.

It would be surprising therefore, if the new Prime Minister were not to find his attention claimed, again and again, by the cauldron of danger that is the Middle East today. He and the other leaders of the world’s responsible powers face:

- The need to block Iran’s nuclear and regional ambitions and achieve a return to the negotiations that Iran abandoned in mid-2005;
- The need to achieve a stable and more peaceful Iraq, in the face of continuing opposition to the authority of the Iraqi government and the presence of coalition troops, increasingly bloody clashes between Sunni and Shia, diverging interests between Arabs and Kurds, and the interference of outside powers;
- The need to overcome the deadlock in the Middle East process and revive the two state solution, rendered yet more distant by

- recent events in Gaza; and
- The need to strengthen the democratically elected government of Lebanon against attempts to unseat it, recognising that Lebanon remains a battle arena for many overlapping and conflicting interests of the region's states.

There has been some debate in recent weeks as to whether such events should concern us. The view has been expressed that the best thing to do with the Middle East is to forget it, and for the rest of the world to get on with their lives.

The alternative view has also been put: that if a new great war is to start anywhere it will start there, and if we do not address its conflicts and divisions they will one day engulf us all. I think in this country there is a common understanding that it is neither ethically possible nor in our interests to stand by while the threat of bloodshed, terror and economic instability becomes greater in a region on the doorstep of our own continent. Improving its stability is therefore a vital goal of British foreign policy, and getting to grips with it should be the top priority of the new Foreign Secretary.

I do not say this in any confrontational way. Our foreign policy is more effective and better understood abroad when it is bi-partisan and pursued consistently over the long-term by both main political parties. As the Opposition, we welcome it if the themes and ideas we have developed are taken up by the government: it will make it that much easier for us to pursue those ideas when it is our own job to do so. This is a timely moment to give an up-to-date view of the actions we believe the government should take in relation to the Middle East and to invite it to take them.

A visitor to the Middle East cannot help but be struck by how many actual and potential friends this country has there. That is one reason why we have a responsibility to the region, but it also gives grounds for some long-term hope.

It has to be conceded, however, that British engagement with those friends has not always been as assiduous, as consistent, or as effective as it should have been. Many of those friends wish to form continuing relationships with individuals and parties in this country, as well as with the government and they generally wish to do so at a senior level. I have made

the point several times over the past eighteen months that Britain has not always maintained such senior and consistent relationships with, for example, some of the Gulf States, over the last ten years. It is a paradox that our government, whose foreign policy has been marked by events in the Middle East, has neglected our relationships with some of the countries in the region.

When Tony Blair visited the United Arab Emirates at the end of last year, it was the first and only time he had been to that country in his entire ten years as Prime Minister, despite the central importance of Middle Eastern policy in his premiership and British companies' trade interests and opportunities there. Yet to deepen our links with the many friendly Muslim nations of the Gulf and North Africa should be one of the prime goals of British foreign policy. They are vital interlocutors for anyone who wishes to understand what is happening in their region, and in many cases they are important allies. The long-term friendship of their governments and populations is essential to ensuring that, while we are indeed engaged in a struggle against terrorism, we are most certainly not embarking on a clash of civilisations.

I have called on the government in the past to announce and commence a major, long-term, cross party, national effort to elevate Britain's relations with these countries in the economic, diplomatic, political, parliamentary and educational spheres. No such initiative, or anything corresponding to it has been announced, but it is not too late to do so.

Such an initiative could include:

- Serious economic and security initiatives including consideration of the need for a regional security framework in the Middle East.
- A new effort to foster links between Parliaments and educational institutions,
- The promotion of cultural links, encouragement of civil society and co-operation on terrorism, religious radicalism, climate change and nuclear proliferation.
- The elevation of NATO's Mediterranean dialogue with countries like Algeria, Egypt, Morocco and Tunisia to the level of genuine

partnership. The aim of this should be to contribute towards regional security and stability through stronger practical cooperation, including by enhancing the existing political dialogue, achieving interoperability, developing defence reform and contributing to the fight against terrorism.

- Our international security Policy Group has recommended the creation of a Partnership for Open Societies, a strategy of re-engagement and reform to reduce the appeal of terrorism, fundamentalism and revolution as a method of change in Muslim societies. This is something the Conservative Party is working on, but which people of all political parties may be interested to take forward.

These efforts merit the same degree of attention as overcoming the legacy of division between East and West in the 1990s. The challenges may be different, but they are just as complex as those we faced when we sought to develop cooperative relationships with former adversaries in central and Eastern Europe. As was the case then, a major effort is required to overcome prejudices, tackle misperceptions, and build trust and understanding. Without an approach like this it seems to me that we will always find ourselves responding to crises.

Let us start with the biggest of them all: Iran. So far the international response to Iran has been clearly divided: The US has wielded a sizeable stick, and the EU has repeatedly offered carrots. The results are clear. Iran believes that the US won't use its stick without European support, and that the EU carrots are meaningless if the US is not on board. For our diplomacy on Iran to be successful, Iran is going to have to see that the roles can be more closely aligned: That the EU has a stick that it is prepared to use, while the US really is prepared to deliver meaningful incentives to Iran. The potential EU stick is clear:

The EU is Iran's largest trading partner across the board. EU governments provide approximately \$18 billion in loan guarantees for companies doing business in Iran and Iran is increasingly turning towards Europe as US sanctions limit its ability to do business in dollars. With its massive unemployment and rocketing inflation, Teheran is highly susceptible to economic pressure.

And the US carrot is clear. Iran and the US have not had diplomatic relations for over a quarter of a century. From the Iranian point of view,

each US administration since the 1979 Iranian revolution has made it clear that it would like to see a change of regime in Tehran; US opposition blocks Iranian accession to the World Trade Organisation and its wider policies confine Iran to pariah status.

The US, as the world's superpower, is uniquely capable of conferring upon Iran the recognition that it seeks as a power in the region. The only country capable of mounting a devastating attack on Iran, it is by extension, the only country capable of offering Iran meaningful security guarantees. The combined pressure of these sticks and carrots has not yet been successfully applied even though with each day that passes Iran moves closer to acquiring a nuclear weapon.

There have been constraints upon both sides: Some European countries, fearing a repeat of Iraq, have been unwilling to back up the US approach and wish to see Iran treated more flexibly; and US leaders have been deeply mistrustful of Iranian intentions and unwilling to break with decades of tradition and talk directly to Iran. However our only real hope of making progress with Iran is to forge an approach that combines both.

Last year's proposal put to Iran by Europe, the US and the other Security Council Members, included the promise of direct talks between Iran and the US if Iran suspended its nuclear programme, and set out penalties that the group were willing to impose if Iran did not. This provides the basis of the strategy we are calling for – but it must be acted upon. Both the penalties and the incentives – the stick and the carrot – must be made clearer.

The EU should adopt measures that the US has taken to deny certain Iranian banks access to the US financial system, which have had more impact on Iran than any of the sanctions agreed by the UN so far. It should ban new European export credit guarantees to Iran, and begin targeted action to restrict European investment in Iranian oil and gas fields. Merely setting out a clear European willingness to implement a graduated programme of economic and diplomatic sanctions over time would cast the costs to Iran of continuing on its current path in the clearest possible light.

In exchange the US could state its willingness to revisit some of the terms of the incentives put to Iran, many of which currently begin with the word "possible", and it could improve the prospect of exploratory talks with Iran. We do not agree with those who say that we should simply drop the

condition that Iran must suspend its nuclear programme before formal negotiations can take place. For one thing, that condition is a requirement of the International Atomic Energy Agency and the Security Council, which have said that Iran cannot be trusted with its nuclear programme until it has proved that it is not seeking a nuclear weapon. But above all, it would be unacceptable because the key obstacle to acquiring a nuclear weapon is mastering the enrichment of uranium. There is no logic in trying to negotiate with Iran about abandoning any aspirations it might have to have a nuclear weapon, while allowing it to get closer and closer to acquiring one anyway, during the course of negotiations.

However Iran's nuclear programme is not simply a concern for Europe and the United States. The implications of Iran's acquisition of a nuclear weapon would affect us all – it would shatter the NPT, most probably start an arms race in the Middle East, and would significantly increase the risk of the detonation of a nuclear weapon or the transfer of nuclear technology to terrorists. It is vital therefore that the UN Security Council acts resolutely. As a Party we have done extensive research into the options available to the Security Council in the form of sanctions on Iran.

The integrated global financial system means that it is possible to single out those responsible for a particular policy, and minimise the impact of sanctions upon the population at large. In the case of Iran, which actively supports terrorism in the Middle East with arms, funding and training, it is possible to act against the mechanisms which support this policy. We believe the Security Council should designate Iranian bank Bank Saderat, which provides financial services to Hezbollah, Palestinian Islamic Jihad and Hamas, which would cut it off from the international financial system.

It should ban new arms sales to Iran and require states to withdraw any advisers and military personnel present in Iran to advise the government on military or security-related matters.

We also believe that the Security Council should target the Iranian Revolutionary Guard Corps, which in addition to carrying out the seizure of British marines in Iraqi waters this year, controls Iran's ballistic missile programme, runs its support for terrorist groups in the region, and increasingly dominates Iran's economy. The Council should add the IRGC's leaders to the travel ban and assets freeze list, and restrict international trade with its business arms.

Finally, the Security Council should explicitly discourage new investment in

Iran's energy sector by calling on international companies not to invest. This is not the same as a ban. But it would increase the perception by companies that there is considerable political risk attached to investing in Iran, increasing the likelihood that boards would make the decision to withhold investment, and paving the way for an explicit ban in the future if required by circumstances.

This amounts to a step change in the international approach to Iran. It is needed, because if sanctions continue to move at their current pace, Iranian leaders are likely to conclude that they can safely ride out international opposition, and acquire a nuclear weapon.

Once Iran completes the installation of 3,000 centrifuges in its Natanz facility and learns how to operate them continuously and efficiently, it would be in a position to make enough highly enriched uranium for one or two nuclear weapons per year. Getting to this stage could take Iran as little as 18 months from where we are today. This would be an extremely unwelcome development for the international stability and security as well as the region, where the rise of Iran as a regional power is already being seen as a gravely destabilising factor.

Iran's use of proxies means that many of the conflicts and flashpoints in the Middle East are interlinked. But these proxies have very different motivations. Hezbollah is different from Hamas; Hamas is different from Al Qaeda. Even when their aims converge their initial starting points differ. Similarly Syria's motivations are different from those of Iran and so are its geopolitical goals. I recently visited Damascus. It is a secular country. It perceives, as a threat to its stability, Sunni Islamist terrorism. It wants to avoid a polarization of power within the region. It is not clear how Syria would feel about the emergence of a regional hegemon in the form of Iran. Damascus, even though it is currently allied with Tehran, may well want to avoid the rise of Iran as a regional superpower.

While trying to understand Syria however, we should not be naïve or starry eyed about the country. Syria, a secular dictatorship with questionable human rights records, has been accused of supporting Hezbollah with substantial amounts of financial, training, political, and organizational aid. Iranian arms bound for Hezbollah regularly pass through Syria. Hezbollah's July 2006 strikes on Israel prompted allegations that Syria and Iran were using the group to deflect international attention from other issues, such as Iran's contentious nuclear program and in the case of Syria, the Hariri

inquiry.

It is therefore clear that any contacts with Damascus are currently based on a low level of trust. But this does not preclude us from having a dialogue with Syria and developing a long term 'acquaintanceship' with Damascus at a high political level. We in the Conservative Party have embarked on this, and call on the Government to do the same – diplomacy and dialogue with adversaries are necessary when trying to resolve conflicts and differences. If the West seeks to engage Syria, it needs to adopt a clear and long-term dialogue.

For the moment, there are bound to be great difficulties: The critical issues of Lebanese sovereignty, the Hariri inquiry, Iraq, and Hezbollah. But Syria's capacity to negotiate was proven in 2000, when it came within an ace of reaching agreement with Israel. The proposals of the Baker-Hamilton report, whereby the Israelis would return the Golan in exchange for concrete steps by Syria and in the context of a full and secure peace agreement, could form the basis of this strategy. Damascus of course will have no reason to alter its policies if it simply means delivering the items on our wish list. Regaining the Golan Heights and reviving prospects of an equitable economic agreement with the EU remain critically important to a country that, both politically and economically, is in need of breathing space.

One can of course argue about the extent to which Syria matters in the search for solutions to many of these crises that have swept through the Middle East. But one cannot dispute the fact that Syria's policy has an impact on all the region's major issues. It is therefore important to recruit it into constructive engagement, which has the potential to influence the forces behind much of what troubles the region. In Iraq, Syria can make a major contribution to the country's stability by controlling its border with Iraq to the maximum possible extent and work with Iraqis on joint patrols on the border.

This of course is just one of the elements of the long term strategy for stability on Iraq. In our own country we must also ensure that we understand the benchmarks of failure and success and heed the warnings that have been issued. When a Chief of the General Staff tells the country that the presence of continued British troops in Iraq exacerbates some of the problems we are facing, and says that planning for the post invasion period was poor, we clearly have a responsibility to listen.

The government has set out a plan for the reduction of British troops in Iraq and the handover of all four provinces in the British area to Iraqi control during the course of the year. But beyond this there is silence; simply the commitment that “the UK military presence will continue into 2008, for as long as we are wanted and have a job to do.”

This is in stark contrast to the United States, where there has been much more willingness to subject its strategy to both democratic oversight and public debate. The United States has had two comprehensive reviews of US strategy in Iraq in the form of the Iraq Study Group Report, and the Administration Iraq Strategy Review. It has not been afraid to commit itself publicly to issuing a report to Congress on the ‘surge’ strategy in July, and to completing a formal review of US strategy by September. An independent military commission will also report at the same time.

In Britain we have had no comparable review, and we have no prospect of any review in the future. We believe the new government should declare its intention to provide the clarity and transparency regarding British plans and objectives in Iraq that has been so lacking. Firstly, by committing to undertake a review of the progress of British strategy in Iraq. When the former Prime Minister announced this strategy on 21<sup>st</sup> February, he made it clear that the UK and US strategy had three goals: securing Baghdad, training the Iraqi forces, and achieving political reconciliation. Yet the government has been far less willing than the US administration to commit to measuring progress made on these goals, and to explaining how UK troop withdrawals fit into this strategy.

Secondly, by committing to submit a quarterly report to Parliament on progress achieved in Iraq towards meeting goals for: political stability, economic progress, and achieving a stable security environment in Iraq; and to provide indicators of the training and development of the Iraqi Security Forces.

The Government should also hold a full inquiry into the origins and conduct of the war. For this government and those to come it is crucial that the lessons of Iraq are learnt - not only for some future contingency but also to guide our ongoing operations too. While Afghanistan and Iraq are two different theatres, lessons learned from Iraq will benefit our efforts in Afghanistan.

Turning to Afghanistan, the mission we are engaged in there remains as important to this country's security today as it did in 2001. We have seen what failure in Afghanistan can result in. Under the Taliban, Afghanistan was a safe haven for international terrorists and a source of instability. A return to that situation would be a disaster for Afghans and for all the countries involved in trying to bring stability to this country. We therefore need to work towards creating an Afghanistan that can work for the Afghans, that can look after the security needs of the Afghan people that can provide for representative institutions, and can increase economic well-being for the people of Afghanistan who have suffered so much for so long. But we are engaged in a race against time there. I do not claim that we can or should be trying to create a fully fledged western style democracy or impose it upon this society. But I am convinced that Afghanistan is a nation tired of war, a nation that needs security, stability, jobs and a level of normality. A nation that does not need or have to live on drugs money.

Reports of crumbling reconstruction projects, continuing unemployment and growing disaffection amongst Afghans yet to feel the benefits of our presence there, threaten to undermine the tactical successes our soldiers are winning on the battlefield. We must reverse this trend and significantly improve the coordination of our aid and reconstruction efforts, or we risk being unable to turn tactical success into a strategic one.

On the military level, we must be well resourced both internationally and nationally. To build the confidence of the Afghans people, we must ensure that our activities are coordinated effectively and efficiently to deliver tangible improvements to their lives. On the ownership level we must help create Afghanistan development zones and assist with the education and training of the future administration of Afghanistan, so that Afghans can run their own country. And on the strategic level, we must ensure that Afghanistan is not isolated from its neighbours. It is crucial that its leadership has a permanent channel of communication with those beyond its borders, Pakistan in particular.

I have left it until the end to mention the Middle East Peace Process, partly because I think are clear and fresh actions which need to be taken in all the other areas that I've mentioned. It almost goes without saying that intense attention needs to be given to achieving lasting peace between Israelis and Palestinians. Peace in the region may not hinge only on the creation of a Palestinian state, but we must not forget that it remains the main pillar of it. On the approach to that, there have not been significant

policy differences in this country between government and opposition.

It is as yet unclear how much emphasis Gordon Brown will put on economic aid. However it is clear that aid without a political settlement will achieve little. The EU provided over €680 million to the Palestinian people in 2006, more than in any previous year. The UK alone gave £70 million. However despite this huge injection of aid poverty rates in Gaza and the West Bank doubled last year, so that even before Hamas seized Gaza, 56% of the West Bank population was living in poverty - and 87% in Gaza. Therefore aid alone is clearly not the answer.

The international community must work urgently to:

- Find acceptable ways to continue the delivery of aid to the Palestinian population in Gaza under the Temporary International Mechanism;

- Support the channel of communications between President Abbas and Prime Minister Olmert aimed at improving conditions in the West Bank, and find ways of supporting President Abbas – mindful of the fact that his new administration faces, by its own admission, a “credibility problem” with Palestinians.

- And above all, begin urgent diplomatic efforts by the Quartet and the Arab Quartet to seek a way forward. While we have had reservations about the appointment of Tony Blair to the position of Quartet Envoy as he is a controversial figure in the Middle East, we wish him well in his efforts. Any way forward requires Hamas to make credible movement towards the full acceptance of the Quartet principles. It is urgent that they stop rocket attacks on Israel from Gaza if they are going to show that successful political engagement with them will one day be possible.

None of these vital issues – the elevation of our relationships in the Middle East, the prevention of a nuclear arms race in the region, the promotion of careful dialogue with Syria, the reviewing of the situation in Iraq, the need for strategic as well as tactical success in Afghanistan, and the reviving of the Middle East Peace Process – are issues which can be neglected by our new Foreign Secretary. As the opposition we call on him to take up these ideas and pursue these goals. If he does so, he will have strong support across British politics. But if he and his colleagues in the Foreign Ministries of our friends and allies do not do so, I fear the Middle East will be heading towards a grimmer and still more violent future.”