

The Rome Dialogues

Politics
Economics
and the
Euro-Gulf
Relationship

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Introduction to the Rome Dialogues

The international political environment seems mired in interconnected conflicts that are showing none of the signs of abating and all the signs of proliferation and contagion. Nowhere is this clearer than in the wider Middle East where the seemingly never-ending story of ISIS, coupled with surging sectarian violence, increased Irano-Saudi tensions and the return to the Kurdish-Turkish war of attrition is paralysing regional integration programmes, generating trans-sector crises (economic, social, political) and spilling over into Europe. In the Gulf, regional tensions have recently escalated while military conflict rages in Syria, Iraq and Yemen. All in all, the Middle East's prospects for future peace and economic growth are uncertain and liable to yet more sudden disruption.

It is precisely because of this challenging backdrop that the Euro-Gulf Information Centre has tasked itself with establishing a regular meeting of minds – to help tease out some solutions to unfolding crises. The EGIC is built along the notion that such political crises can be overcome; there is no such thing as an insurmountable challenge in the political world. So, the EGIC has developed the Rome Dialogues to provide people – scholars, journalists, human rights activists, civil society representatives, decision makers – with a neutral space to hold essential conversations and it is those conversations that help to construct more accurate narrative, correct errors and generally assist people in understanding often complex issues.

The Rome Dialogues are held each month at the EGIC headquarters (12 via Gregoriana, Rome, Italy, 00187) and are open to the public. Please visit the EGIC webpages (www.egic.info) for Rome Dialogue announcements.

All sessions are recorded, drafted and then published as Open Access Conversation Transcripts. These are made available as research materials and entered into the public domain to that end. The EGIC is available to answer any questions you may have about the Rome Dialogues.

Introduction to the EGIC

The Euro-Gulf Information Centre (EGIC) is an initiative that aims to build social, political, strategic, cultural and economic bridges between the people of Europe and the Arabian Gulf.

While the EGIC was only formed on 01 October 2015 as a legal association in Rome, Italy, it draws on the expertise of a multitude of scholars, policy makers, economists and members of European and Gulf civil societies to enhance inter-regional relations.

The EGIC has tasked itself with five activities over the short, medium and long terms:

Publishing Hub—the first objective of the Centre is to act as a publishing hub on information related to the wider Arabian Gulf. This entails the launching of a new journal (re: The Arabian Gulf), book series, policy papers and newsletters. Literature will be made available in several languages (Arabic, English, Italian, German, French and several of the Slavonic languages) and be done in both hard and soft copy formats.

Seminars, Conferences and Roundtables—in order to continue to attract attention for the Centre, a series of seminars, conferences and roundtable discussions will take place on a regular basis.

Specialised Certificate, Internships and Scholarship Programmes—the EGIC will begin a targeted certificate programme for university-ages students, run as Spring Schools. Themes will vary, but stay related to European-Arabian Gulf dynamics. Also, the EGIC will also offer a three month internship based on the European ERASMUS Programme. This programme will focus on building the skill-set required of a socio-political organisation

and includes: organisational, writing, presentation and innovative thinking skills. Finally, the EGIC will offer monthly and annual scholarships for research on Arabian Gulf-related topics.

Cultural Events—the EGIC strives to offer a comprehensive cultural platform to expose the peoples of Europe and the Gulf to each other's cultural rites, rituals, festivals and writings. From book launches, poetry readings, talks, films and cookery, the EGIC aims to bring people together.

Web and Tech—the EGIC has adopted a tech-savvy approach that entails the use of high-tech platforms to generate an interactive platform beyond the physical boundaries of the EGIC headquarters. All EGIC research and events will be made Open Access and the deployed technologies will reflect this approach.

Members of the Panel

27 November 2015

Mitchell Belfer—is the current President of the Euro-Gulf Information Centre, Head of the International Relations and European Studies Department at the Metropolitan University Prague and Editor in Chief of the Central European Journal of International and Security Studies.

Keith Boyfield—is an economist, educated at the London School of Economics, a fellow of six think tanks including the Institute of Economic Affairs and Centre for Policy Studies. Mr Boyfield is a frequent contributor to a number of leading newspapers and journals and is a regular broadcaster on political and economic issues.

Peter Longworth—is a former UK Ambassador and former Director General of the Commonwealth Business Council which seeks the promotion of investments in the developing world and emerging markets. Currently, Ambassador Longworth is a government and policy advisor for the Oval Observer Foundation based in Delhi.

Brian Sturgess—is Editor of World Economics and had, previously, spent many years in the academic world and Western banking, has been especially interested in the Middle East and Islamic Societies and works for the Islamic Economic Bank

Part 1

Terrorism and Euro-Gulf Relations

Belfer: Looking at this month's [November 2015] terrorist activities that struck targets in the Middle East – Egypt, Lebanon, Yemen – and also dealt a blow to Europe's morale (not to mention the magnitude of the Paris attacks themselves), it would be wrong of us to neglect that Europe is now in the crosshairs of a certain type of terrorist violence. We should see the impact that this is having not only on economics and tourism but also on the relationship between Europe and the Middle East and – at least, for the concern of the Centre [EGIC] – the way that relations between the Gulf and Europe are being shaped by those events.

Let me suggest elaborating on our feelings as regards to the terrorist events in Paris a fortnight ago and a general picture from your perspective – the impact – that that attack is going to produce.

Boyfield: I think that coupled with the downing of the Russian air liner it is going to have a really major impact on the foreign currency exchange of Egypt, because they are heavily reliant on Tourist industry. It provides a number of employment opportunities for that population and I think that the repercussions of that – coupled with what has been going on in Paris – and the

Russian involvement in Syria, are going to have huge ramifications across the Gulf and also in North Africa.

Sturgess: It is actually widening out. In many many ways this is part of a pattern which is intensifying. We had the recent terrorist attack in Tunisia – well two one was in the museum and then the next one on a beach and just now Tunisia has announced a state of emergency after the attack on its security forces. And Tunisia is one of the few successes of the Arab Spring in terms of expanding its economic interests. What I see now is tension spreading into Turkey now with the negative situation between Moscow and Ankara. A lot of Russians go to Turkey; it is a big tourist destination for them, but also people from other countries. Fighting terrorism is going to have an impact as people will be afraid to travel because of terrorism.

Boyfield: Also people from Azerbaijan are going to Turkey.

Sturgess: Yes. The thing is – if we remember the impact of the terrorist attack in Egypt on Luxor tourists a good few years ago how long did the impact endure? We don't really know if what is happening now is a temporary thing or if it is going to spread out more. Certainly what we would like to see is the case of Egypt, where there was a terrorist attack and things returned to normal—to an extent. But this scenario needs a huge study, needs a lot of data. Now we cannot see the impacts on the Middle East and then actually the second impacts on Europe, because people will go somewhere else. Already the Caribbean is having positive impacts because of the situation in Europe and the Middle East.

Longworth: I have thought about this a lot because I visited the Temple of Hatshepsut at Luxor two weeks before the attack on tourists there in November 1997. They were in the wrong place at the wrong time and I was not. The perceived risk of holiday terrorism was much lower in those days than at present but even in the recent spate of attacks, only a small percentage of many millions of tourists have been hit. The impact on the overall trade, though has been disproportionately high and not only in

perceived danger spots. I agree with Brian that there seems to be a new pattern developing. I am not sure whether this is coordinated among the various groups or whether it is a case of their learning from each other and moving in the same direction.

It does seem that the dramatic increase in attacks by small action units against soft targets as in Paris follows closely on reverses suffered by fighting forces in the affected regions. It is also the case, most strikingly in Paris, that the attacks are no longer directed against individuals or bodies that might be identified as direct antagonists – for example Charlie Hebdo. The assaults on the rock stadium, the restaurant, the football match, constituted a direct attack a hated way of life.

Boyfield: And it is very much an attack on young people. I would like to pay attention to something else for a moment and highlight Dubai, which has been a tremendous tourist centre for people from Western Europe for some time. Other countries, such as Bahrain, want to develop their tourism industry in the light of this success. Yet terrorism can severely disrupt that endeavour.

Longworth: Another economic factor is that although there has been some net gain in tourist numbers at locations such as the Caribbean, as Brian has suggested, I think there will be an increasing trend for holidaymakers to avoid foreign travel altogether, including to perceived low-risk areas, and opting to stay at home. Certainly there have been studies to suggest that this is happening in the UK. Given the dominance of the tourism sector in their economies, such a trend would be very bad news for already vulnerable tourism-dependent countries whether or not they are in higher-risk regions, particularly those with a general lack of economic diversification, foreign exchange and liquidity issues.

Belfer: We picked up on the idea of this intensifying pattern but we were unable to determine whether or not it is a pattern that basically has a direction and a director or a group of directors trying to intensify violence amongst those countries. And you can see

it. Until today most terrorist attacks took place in places like Pakistan and Afghanistan which are not traditional tourist destinations, but the pattern is that violence appears in places that have become part of the European periphery in the sense that we see it as a natural place for us to go not only on holiday and for tourism, but also our investments as well as part of our programmes – such as the Erasmus programme on the educational level. Places like Tunisia and Morocco which participate in the Erasmus+ Programme as well as Turkey and Egypt These are also countries that were connected to the European Union, some partnerships and the Euro-Mediterranean Funds and earlier than that the so-called Barcelona process.

It is also very interesting to determine whether or not there is something more coordinated and there is a reason that violence breaks out for example in Tunisia, or that Tunisia – based on the percentage of population – is feeding the highest amounts of ISIS fighters. It should also be remembered that there is probably a connection between what has been happening in Tunisia under the surface and what has been unfolding further east in Syria and Iraq, and maybe there is something of a larger plan.

On the other hand, something to get back to, is the fact that tourism by itself – while being very important – should rather be understood as a piece of the global economy and this as an attack on a global economy and globalisation because it is not only about how many Europeans travel to sit on beaches in Tunisia. It is about the Tunisians who educate themselves in European languages. The engagement is a two way street and in this way what terrorism does is basically creating a mechanism to stop the exchange of ideas, money and general trust.

Boyfield: There are a whole range of multiplier effects, for example, in Egypt it had tremendous ramifications for the people in the agriculture sector, supplying the hotels that people visit. There are also knock-on effects in terms of supplies.

Longworth: Yes, the tourism supply chain is an important job creator. It does seem to me that the attacks in France and, to a certain extent, the attack on British tourists in Tunisia have intensified the dialogue between European countries and the Gulf states. There is much more of an urge for cooperation. It goes rather beyond intelligence sharing and could, I think, stimulate a larger dialogue. We hear from perpetrators of terrorist acts justifications for their deeds and certainly so much has been done in the name of religion, but I think that an important factor is the dissatisfaction with government among populations angry at their low quality of life. This is particularly the case among the young and they are particularly attracted to the message that they are getting from the fighting organisations. The military struggle against extremist violence can only be successful if it is backed up by economic and social progress for the disadvantaged, investment-driven job-creation and social impact investment in areas like healthcare, education and housing. The international investor community has an important role to play in underpinning security.

In Saudi Arabia and the Gulf generally the populations are increasingly youthful and also in Africa where a huge teenage population is developing. With sensitive management, political and economic reforms this could prove to be a demographic advantage in terms of a growing workforce but it is a situation fraught with risk. If the jobs are not there and social conditions are inadequate; if the instruments and institutions of state do not take account of the aspirations of this new generation then there is a significant danger of things getting out of hand..

Belfer: It is funny that we have not learned from European history about what happens when you have sizable youth population without employment and reasonably well educated, especially in a place like Egypt, where they just thought that it would work itself out There were very limited governmental programmes and

a lot of encouragement to leave the country. Al Sisi is reversing it a little bit, he is not given very much credit in the West and the Western press but he has also recognised the failures of Mubarak era and tries to reach out to the youth bubble giving them opportunities because, in years past, up to 80% of the economy was controlled by the government and there was very limited liberalisation of the economy.

The other thing – addressing the issues of the youth in the wider Middle East – could be also useful for fighting the next generation of something like ISIS, because recruitment could be denied together with the reasons for the next generation to emerge. But I think the problem of ISIS is maybe larger than problems of addressing the youth and it has to do with rapid urbanisation. These are issues that people really fail to talk about. Instead of the tribes deciding one day to move to – for instance – Baghdad, Baghdad basically knocked on the door of tribal areas, with urban sprawl as well as with twenty years of rapid urbanisation people started to feel pressure to become modern citizens inside modern cities. They often find it very difficult within the same generation to adapt to that kind of new environment.

Boyfield: Plus they can communicate with each other instantly through the internet—that is the new model.

Sturgess: Terrorism is, of course, impacting on globalisation and being affected by it and on the world monetary markets. In Paris as in other big cities it is the same problem; globalisation has already happened it is difficult to turn the clock back but the opportunities it has provided are not being spread equally. There are big disparities.

Belfer: Not to change the subject too much, but the question just occurred to me of what if ISIS is actually attractive to some people in the West?

Longworth: There were interesting statistics in the UK newspapers that said that 1 in 5 British citizens is sympathetic to ISIS and

this was compared with very negligible public support for ISIS in Muslim states, like near zero sympathy in Lebanon.

Sturgess: They are recruiting people from France, Britain, Belgium and Tunisia...but how are able to recruit? How does one profile terrorists? It is not normally what you think. You see a terrorist as somebody who has been in trouble constantly or haven't had certain expectations reached. This is not the profile of the typical ISIS recruit from the West.

Longworth: I don't know whether it is part of their strategy or whether it just has this beneficial effect for them but there is a convergence of factors. Along with the violence in France and elsewhere, people in Europe see the migrants coming in, perceive pressure on social services, jobs and housing and the support of young Muslims for fighters in Syria. All of that is alienating the political majority, that is the homegrown people and this is fuelling a frightening swing to the far right in so many European countries.

Boyfield: Hungary is a good example of that.

Longworth: It is reminiscent of the student riots following on from the events of 1968 in Paris. The philosophy behind that was that attacking apparently liberal regimes in this manner would force them to reveal their fascist natures which would give the generality of the population something to unify against. The fact is that the people who are most likely to suffer in the event of major swings to the right in Europe are perfectly ordinary hardworking citizens from the Middle East and from Africa, for example.

Belfer: In a sense that's what these organisations want. They want a polarisation; they want Muslims to feel uncomfortable in Europe. Then they are fulfilling prophesy because the prophesy is that Muslims have to go and live in a Muslim community, in the Ummah. And they have established it. They have made the declaration of the Islamic State and the world Muslim community is meant to now move there. And because most Muslims,

99% of Europe's Muslims – 99.9%, the overwhelming majority of Europe's Muslims – will have nothing to do with something like the Islamic State is very worrying for the architects of the Islamic State because they have expected that all that needs to be done is construct a caliphate and the Muslim community should come and support it. There are a lot of discourses about the spiritual poverty of Muslims in the West and the radicalised clerics, who are trying to encourage jihad, first against the people within the Islamic community that don't believe in the radical version of Islam and that is one thing, but on the other side – is it that there is in the Middle East the alternative model which sits there and is much more attractive—this is, of course, the Arabian Gulf countries.

And many in Gulf are not moving – which people in the West tend to forget – Gulf Arabs are not migrating to Europe. The Arabs who are migrating to Europe are fleeing something. It is not like single Arab wants to leave the Middle East and live in Europe. For the majority of the migrants who are coming now have nothing left. They lost their homes, there is a war which has been going on which has claimed almost half a million people's lives and have displaced many millions. And so the narrative in the West is that the Muslims are coming but if you really break it down – Saudis, Bahrainis, Kuwaitis, they are not moving to Europe. If anything they are trying as best as they can to work with European partners and alleviate the stress of those who are coming.

Sturgess: The only exception to that would be Algerians in France, but that is part of a very long interconnected history. And the Algerians started moving into Paris on scale at the same time as the fight for independence so France is still an exception.

Longworth: Getting back to the creation of discontent among the immigrant communities of those countries. Attitudes have shifted from one of sympathy for the victims of conflict in Syria and elsewhere to once of concern and in many cases hostility when the scale of the problem and the social consequences for re-

ceiving countries became apparent. Initially, certainly in the UK, while people foresaw difficulties in incorporating large numbers in already stretched communities there was a really decent perception of why this migration came about.

People were particularly shocked by what was happening to the civilian population of Syria. To some extent the terrorist activities have changed that perception. There has been a tendency for people to put the two phenomena together and see them a single issue and that is a challenge to governments of Europe as they try to find a fair way of dealing with the migrant issue as voters' perception of migrants shift from them as victims to representing an internal threat.

Belfer: It is also why it is important to also focus on the GCC. Not only because GCC citizens are not coming to Europe as migrants but, more importantly, they are on the front line fighting against ISIS much more comprehensively than we give any of the GCC states credit for. And it is the same with Jordan. ISIS is not taking over France. They may conduct some activities of terrorism and people will die as a result, but you are not going to have a regime change in France and the replacement with the Islamic State. But those are real threats in any of the GCC countries as well as in Jordan and many of the other Arab countries because, in the end, sometimes all you need to do is to replace a leader. And that is one of the things that has to be kept in mind—the sensitivity of ISIS' activities. Because Western media very often presents the understanding that Saudi Arabia supports ISIS, or Qatar supports ISIS, and you hear it all the time. Not only are these claims unfounded but they are illogical given the fact that ISIS has declared war against the House of Saud and against the Qataris and against all the GCC countries.

Longworth: And the GCC is actively engaged in fighting against ISIS.

Belfer: Exactly. It is one of the things that the West neglects; that the GCC is, right now, fighting a two front war. They are fight-

ing the war against the Iranians and the Iranian-backed militias and against ISIS. It is this two front war that is leading people to look at the GCC as being in some ways more aggressive than it actually is. In fact they really don't have as many choices as people would have assume with the West doing anything but taking a leadership position in the Middle East. They have opened a window of opportunity, e.g. first for countries like Russia as well as Iran to be much more active and the GCC countries feel like their backs are against the wall. We really do not have a global leadership in that region.

Boyfield: The UK last week promised additional resources not just into Special Forces but a whole range of military activities.

Longworth: And hardware appropriate for the tasks.

Belfer: How is that going to be implemented though?

Boyfield: Well they are talking about having two groups of up to 5000 service people who can be rapidly deployed into some of these trouble spots.

Belfer: Are we going to be looking at the time of greater instability before things stabilise? What is the impact on the global economy and international oil prices? I mean the Saudis have deliberately flooded the market to keep ...

Longworth: That is a strategy against Iran and against developments of the American shale gas industry.

Belfer: But here it is interesting as well because when looking at the engagement with Iran, Saudis kept the prices low to punish the Islamic Republic in the event that the sanctions against Iran's oil industry were lifted to ensure that the value of oil is going to be diminished for when Iran becomes an energy actor again. But this is only one dynamic. What about the connection to ISIS? And where is Europe in all of this?

Longworth: I think a number of European countries are in confusion though France has surprised many in Europe by taking the lead in air strikes against some of these groups, seen by many as one of the motives for the Paris attacks. But former colonial coun-

tries like Britain, with its contentious imperial heritage and also with a public unhappy at recent experiences of engaging in what it sees as other peoples' troubles – Afghanistan and Iraq – face a difficult political calculation before going through this again. It was Paris really which made the British Prime Minister feel sufficiently secure to seek votes for taking action.

Sturgess: In France also you have a weak president which is why he has taken the lead to deflect from his domestic record ...

Longworth: Yes, but he was confronted by specific terrorist acts against France which demanded a rapid response. What seems clear in France is that there isn't going to anything akin to the UK's Falkland's factor where strong British action in liberating the islands rescued Margaret Thatcher in the subsequent general election. That is not happening for the President of France.

Sturgess: What about Marie Le Pen if he does not look decisive she will pick up support?

Boyfield: I think there is going to be a sharp focus as a result of what's gone on in the last month particularly in Paris; this have centred on targeted – sharply targeted – bombing campaigns which are going to aim at the oil supply, supply lines that are funding ISIS's programme. Furthermore, very noticeable that they are making huge amounts of money, millions of dollars a week from the sale of oil from Syria and Iraq.

Belfer: There is contrasting data on that. At the beginning [2014], they were generating something like a million Euros a week in the illicit trade in oil. But I think that their economy is much more diversified than that and let's not forget – they have taken major city centres with banks and lots of liquid cash and jewellery and they are very good at the smuggling out of antiquities.

Boyfield: The ones that they don't blow up.

Belfer: Well they blow up all the buildings that they are not able to sell off and all the statues. There are pieces of history being sold off wholesale. They also have an extensive network of money-makers abroad, outside of their territories, that are sending re-

mittances back home and the campaign – which is the issue that frustrates me the most – everything that the West seems to do treats the symptoms rather than the cause of the problem. The GCC countries are trying to deal with the causes. But they cannot do it on their own, they are not trained, they don't have the equipment and they don't have the kind of global clout that would be needed. And I am not sure why the discussion, in general, has not focused on the inability of the GCC countries to go before the UN and enlist the support of the UN Security Council for dealing with related issues. It always has to come from within the Security Council and yet the five permanent members seem very reluctant to throw their support behind the GCC even though the GCC is on the front line. I think that one of the major challenges that we are going to be facing over the next weeks, months and hopefully not, but even years, probably is to find a harmony or parity of interest between the GCC and the European Union, or NATO, or Europe plus the US.

Longworth: Something along the lines you have just suggested seems to be taking place as a result of the export of violence from Syria into the heart of Europe—it is not identifying common interest but it is certainly developing cooperation to a degree. That is the fundamental issue again: economics, governments, the rule of law.

Belfer: Or lack of.

Longworth: Yes, of course. I mean the negatives of all those things are real. One of the things that interests me is that when these organisations face setbacks on the battlefield the move to soft targets suddenly takes over as the substitute from military activities. This has been made pretty clearly with Boko Haram. When, eventually, the Federal Nigerian Army got its act together with the neighbouring countries, they succeeded in defeating Boko Haram on a number of fronts. Boko Haram's response was to move away from direct confrontation to using individual su-

icide bombers against soft targets in bus stations, local markets, mosques — soft targets substitute hard targets.

Boyfield: We also hear that ISIS are recommending to their supporters to stay in their home countries across Western Europe with a view to boost terrorist activities in those countries rather than go over to Syria to be directly involved on the conflict there.

Sturgess: Can this be a phase in the decline of the organisation where sub-targets are preferred? If so it is still an actual process to which, unfortunately, we have to respond to with heightened security. But it may be a sign of decline of the organisation itself.

Mitchell, you were saying that the GCC countries are actually trying to address the causes of ISIS. But there is a splinter occurring in Syria — which is not that far away — and Iraq. The splintering of Iraq, which is still an official country, will play right into Saudi-Iranian competition and obviously a war between these two would certainly be a total war. I mean it is not going to be that easy for the GCC to sort out Iraq.

Belfer: If not impossible. Iraq is just such a mess and it's been a mess for 12 years, but no, arguably it has been a mess for much longer.

Boyfield: Because of the power vacuum. The Americans and their allies who conquered the country — perhaps much quicker than they expected — disbanded the police and army because they feared it to be teeming with Bathist sympathisers there and it simply lead to this power vacuum.

Belfer: The other thing is, of course, that one of the fundamental issues that gets really glossed over because of a lot of red faces is that the Americans actually engaged the Iranians in Iraq in a proxy war in the Anbar province and many of the other provinces where there were very few American servicemen back in 2006, 2007. The Iranians helped to force Sunni officers and soldiers from Iraq's military while infusing it with Mahdi's army crack troops [Shia militiamen]. The American's watched as Iran took

over Iraq, put up some resistance and then hunkered down in their barracks while Iraq tore itself apart. And that is not all. The US also did not properly try to build a modern Iraq. Everything they did was only part done.

I once came across a study comparing British engagements in the Middle East after WWI with American engagements in the Middle East after the CW. And when it came to Iraq what you saw was that until today when the Americans show up to meet the tribal leaders wearing sunglasses, showing no respect, no understanding for local tradition and custom and it alienated many of the tribes from the American overlords early early on. Whereas until now when Britain was engaging with those people in Basra it would always be very cordial, full military dress, with the exchange of gifts, no sunglasses.

Longworth: How far are we going to go back on this? Once you get into the Mesopotamia campaign, the WWI and then you are looking at the product of the great game, the protection of India. We can go back quite a long way.

Belfer: It is funny that you say that because next year, 2016, marks the centennial of WWI and the start of Lawrence of Arabia's revolt. If we look at the repercussions within this century it does make sense I think. First of all let's go a little bit back and look at ISIS and not necessarily as an isolated movement that comes out of a failed Iraq, a failed Syria, maybe even the emergence of Iran.

Boyfield: You could argue it is the last chapter in the book started with the Treaty of Cairo in 1921 when we basically divided the Middle East between France and Britain in terms of influence.

Longworth: The last chapter of the Bible.

Belfer: Maybe it is not the last chapter but it certainly plays a role. We are talking about 100 years without a recognised legitimate leadership over the Sunni community of Islam.

Sturgess: But again, in practical terms, what can the GCC do, with European help, to solve the problem.

Belfer: All the countries in the GCC are, by their very nature, status quo oriented. They don't want major change. They don't want revolutions, they don't support revolutionary campaigns, they are conservative and they would like – even if each one of those countries has a reform programme – to go at their own pace. They are not into Jeffrey Sachs, they don't want shock treatment. They want slow, evolving change and I think where the EU and European states individually can assist is not by blanketing the GCC and saying this is what you need to do as a GCC in order for us to engage with you within these sectors over these different purposes but rather to look at it on a case by case basis, acknowledging to the fact that the GCC is a status quo oriented actor that wants to prevent the rise of ISIS and is actively fighting against the rise of ISIS and needs support in that endeavour. And that shouldn't necessarily translate into an interconnection of everything. It shouldn't be 'okay, now we are supporting you in fighting against ISIS and so we're going to forget that you need reforms in certain areas.' No, that is not the point. But the other side doesn't work either, where you just say 'okay, you are not reforming so we are not going to support you even when our interests are coinciding'

Boyfield: It is something that states such as Britain and France can do in terms of human capital and training, whether it is things like Special Forces in the military sphere, but also it is helping civil society, and there was an awful lot which was already beginning to be done.

Longworth: There is real friction between authoritarian governments and NGOs. My experience is in Africa, where outspoken NGOs (Amnesty, Green Peace.) have had hard times with the authorities. An important question for NGOs is to whom or to what are they answerable. Governments are responsible to their people, trade unions to their members, the press is responsible to its readers or advertisers, companies to their shareholders, but who is an NGO responsible to?

Boyfield: And where did they seek and gain their legitimacy? There could have been a lot more questions about that.

Longworth: Getting back to youth and the potential of demographics in places like Africa. There is a generational shift in some of these countries which we have just described as conservative and non-revolutionary. Governments need to take a fresh look at the pace of reform and general advance of civil rights issues.

Sturgess: Is that taken on board?

Belfer: I think it is. It depends on the country. But again the GCC countries are different in their development. For example Bahrain has great participation of the minorities, Jewish members of parliament, Jewish and Christian ambassadors, Christian members of parliament, Shia, they have also recognised Hindu communities and there are active synagogues and churches. It is a very vibrant civil society in a place like Bahrain. Saudi Arabia is also not a Muslim communities only country—there are other communities too who have lived there and still live there but their inclusion into political process has been much slower. And there are number of articles on what Saudi Arabia bans for example as an indicator what they are starting to tolerate and what not.

It is remarkable that on issues related to Christianity and Judaism they are very open, many of our perceptions are that they are being quite closed, and it is the same opinion in regards to a lot of Western influences. If you go to Saudi Arabia and you watch TV you also find a scandalous club, ladies – it is not like everything is covered up.

Boyfield: But that is not what is talked of and seen in Europe.

Belfer: No it is not. Because Saudi Arabia – not to make excuses – is one of the most misunderstood countries. They don't do themselves any favours. They are not showcasing the country very well. But firstly there is a great diversity between different areas of Saudi Arabia – Jeddah in the far west, significantly different than the Hejaz and the religious centres which of course are closed to non-Muslims and that is the perception we have. We all

know the image of the Hajj; we all know the image of Mecca and Medina and these places, and then the sleepy towns, for example of Riyadh.

But we don't know for instance southern Saudi Arabia or far eastern Saudi unless we are talking about the Eastern provinces that are somehow having demonstrations of violence or are part of the Houthi revolutions and rebellions, and are kind of springing up from Yemen. But Saudi Arabia is a completely misunderstood society. It has a lot more problems than the other GCC countries because, firstly, it is 27 million people, rapidly growing. Bahrain with a half million Bahraini citizens compared to 27 million Saudis on the other side of the border is very difficult to compare.

It has been a lot easier for Bahrain to go through transitions to make sure that different groups are represented in civil society, participating in political life, when you do not have that many people. On the other hand the rapid growth of Dubai, and Abu Dhabi and the Emirates in general, and their kind of profile, as well as business models that have been reached out to Western Europe and to the America saying 'Come here, we are building beautiful hotels, building a modern society – come join us!' Saudi Arabia is an old society and it is based on preserving legitimacy in the Islamic world.

Right now for the Custodians – the name that they attached to their role in preserving the two holy cities of Mecca and Medina – it is very difficult to tell to the villagers, for example, in Indonesia, or to the Islamic communities in the Philippines that have looked at them for spiritual guidance and held them as religious authority, to tell them now 'look we are going to rapidly change everything that you have ever known.' Because it is the equivalence of what would happen in the Church of England if Queen Elisabeth just went through rapid reformation. People would be very confused and you would find splits – like when we talked about allowing for example for women priests into the church, it splits, there was a great polarity within the church as a result of

that and that is just in the UK. Imagine over billion people who subscribed to the House of Saud as being the Custodians of this, and people who have not gone through for example the same kind of development, because there are different levels of development to be found within the Islamic world.

Sturgess: Saudi has a rapidly growing population and obviously it also has a youthful population and therefore we cannot push hard for a reform programme on the country's leaders. And now Saudi citizens have been providing people and money to ISIS, most of the people who were clicking on ISIS material has come from Saudi, it is the youthful population that is sympathetic to ISIS and if the House of Saud would collapse you would have a big problem so that reform programme has to be semi-radical but not so hard so it leads to fractions.

Belfer: It is very interesting because for the rest of the GCC, Saudi is not a tourist destination the role it plays in a global economy is mostly feeding into the global economy via hydrocarbons, also purchasing amounts or luxury goods and it is not a global producer by any means. But the other GCC countries, particularly Kuwait, Bahrain and UAE and Qatar – those countries are not only participating in the global economy as exports of hydrocarbons but they are trying to play regional roles, investment roles, they are trying to building up investments in Europe, the aviation industry, building up infrastructural projects, hospitals in Africa and other parts of the developing world.

Bahrain continues to be a financial hub and the UAE is a financial hub so there are all these different reform programmes in terms of the liberalisation of economies, they are taking place in at least 4 or even 5 of the GCC countries and yet even those efforts are going to be eclipsed by Saudi Arabia with its 27 million people and its unbelievable buying power in the global marketplace. Step one is to break the image of the whole GCC being Saudi Arabia because I think that when most people say Gulf they think Saudi.

Longworth: One important area of discussion has to be the external relations of the Gulf, particularly in extending commercial, finance and investment links to newer frontiers, for example Africa and in diversifying the economic relationship in more traditional areas of interest, particularly the EU and Far East. This is happening, but is not at a very mature stage yet I think and when one looks at the Gulf perceptions and the GCC, those can be influenced by more of an awareness of what the GCC strategy abroad – that is outside of the Middle East bubble – that is about whether there is a direction, whether there is a philosophy. There is also the important area of cooperation in development. The trend that you have just described deserves closer examination as a more powerful vehicle for the brand..

Belfer: For sure. And it is important to remember that modern Gulf history begins in 1971. It all comes after a long time although, of course, places like Bahrain were under the protection of the UK –not as a colony per se – and then there are the Trucial States. Imagine the amount of pressure that those countries have experienced since 1971 until now. If we can keep Saudi Arabia out of the equation and just focus on the other five GCC countries, you saw, for example, eight years later, the overthrow of the Shah and the Islamic Revolution in Iran and for a country like Bahrain, which has about 50 per cent of the population Shia and 50 per cent Sunni (and others), that revolution posed an acute threat. But it wasn't just the rise of the Ayatollahs in Iran; even the Shah himself had designs on the Arabian Gulf.

Longworth: I was a diplomatic correspondent for a chain of newspapers in the UK at the time of the British withdrawal from the then Trucial States. While there was a predictable outcry from traditional Britain, the greatest difficulty was in persuading the rulers of those states that the withdrawal of Britain would not leave them more exposed to territorial claims and threatened by the disproportionate size of Saudi and Iran. There was a strong will for the British to stay.

Boyfield: Why would they [Britain] leave?

Longworth: Because Britain was a changing country in those days. It was still going through the withdrawal from empire and repositioning itself with regard to Europe. A continuing role in the Gulf was seen as an anachronism, despite the deep-set attitudes of a generation of imperialists

Belfer: Some of the Arab Gulf countries were begging Britain to stay, claiming to take care of whatever financial things that would be needed. But from 1968 on, Britain was intent on leaving. Getting back to it, if you imagine 1971 and if you have a very small conflict between Iran and the Emirates over the three islands of Abu Musa, Greater Tunb and Lesser Tunb and the experience that most of the Arab Gulf countries got from that is that the West is not coming to save them, that Iran is going to take over the region piece by piece.

Now, of course, Iran went through its own period of destabilisation, in the lead up to and following the revolution in 1979 but then with the rise of Saddam and Saddam's taking over of Kuwait a deep impression was left – even though the invasion was repealed a few months later by the international community – it left deep scars in the Gulf that basically the Americans and the Europeans are going to come only after the fact, not in prevention and that was made very clear with the case of April Glaspie – the American Ambassador to Iraq – who when asked about the US opinion on Iraq's potential invasion of Kuwait claimed that the US had no opinion about an Arab-Arab conflict. This was viewed by Saddam as the green light to invade Kuwait.

The Arab Gulf, having experienced the rise of Saddam basically at the same time as the rise of Ayatollahs, and having seen Kuwait literally raped and pillaged, the Emirates having pieces of its territory sliced away, the growing presence of sectarianism in the region, the retrenchment of Saudi conservatism, the five other GCC countries inevitably feel like their backs are to the wall.

Boyfield: There are some encouraging signs of late though. For example, the French President [Hollande] recently attended the GCC's annual summit. The French have got a major military presence in terms of air force assets in the UAE and, in the last year, – December 2014 – the British signed its long term commitment with the Bahrainis to station a naval base there. I think that perhaps as America has withdrawn to a certain extent in terms of its involvement from the Gulf you see France and Britain actually making far more overt commitments to the area.

Belfer: Yes and you have seen it on the periphery as well, Diego Garcia – which retains a tremendous amount of military assets – and then there is the French build-up in Djibouti as well, just on the other side of the Arabian Gulf, real militarisation. But if history is anything to go by, arms races are usually followed by conflicts and the more we are building-up into the Arabian Gulf and around its periphery, the higher the likelihood is of a larger conflict erupting.

Boyfield: And there is tremendous tension in terms of what might happen if there were more planes shot down by Turkey.

Belfer: I hope what happens is that the Russians will try not to invade other people's airspace. They would have hardly done it differently if a Turkish bomber illegally entered Russian airspace and was getting ready to bomb an ally of the Russians. We can probably expect that the Russians would also deploy their anti-aircraft missiles. Turkey is along the periphery to the Gulf of course but a peripheral state that is going to basically assist and contribute to the system?

Boyfield: And it has a very large army.

Belfer: Huge. And it's very modern as well and went through the very important process of modernisation. Turkey can swing either way and become a country that contributes to stability in the Middle East and the Gulf or the opposite—it can also contribute very much to its instability.

Boyfield: It has its own concerns vis-à-vis the Kurds.

Belfer: Kurds. What has made it even more complicated is that Turkey is less opposed to ISIS than, say, Saudi Arabia is. But the general perception is that Turkey is the country that is fighting against ISIS most comprehensively but it certainly is not. When they declared war against ISIS all the bombs started falling on Kurdistan and that came at the time when the Kurds were fighting tooth to nail against ISIS forces in Kobani and in the north of the country and were starting to make some serious gains against ISIS.

Boyfield: And it was the Kurds who were making the biggest impression in terms of boots on the ground.

Sturgess: For the GCC just as you are talking about slow reform, in Turkey we are observing a backward process away from democratization and secularism. With some journalists arrested this week, being imprisoned because of suggesting that the Turkish army funded some Syrian anti-ISIL groups and that they actually carried out espionage, it is hard to imagine what sort of state Turkey is becoming.

Longworth: Turkey has an external ambition to expand its political and business influence, open new diplomatic missions, rebrand Turkish Airlines as a global hub carrier while Turkey is internationally viewed in more ambiguous terms because of its internal issues.

Sturgess: I think that Turkey's view was always security-centric.

Belfer: Perhaps that is why Syria has become basically a lynchpin for stability in the region. We get the intersection of all these different competitions between the three major religious powers – Saudi Arabia, Turkey and Iran – and you have an Iran which is very revisionist in its orientation, it wants to change the status quo it wants to push back against what it sees as a kind of Arab-Sunni control of the holy sighs of Islam with the support of the West. Then you get a Turkey which is a revisionist state as well and wants to recreate something like an Ottoman zone of interest, or sphere of influence by playing both sides—by looking

to the West when necessary but turning its back from the West when it feels that the West is interfering too much and engages with some of the other Muslim countries when it suits it.

This is the whole concept of peace with all our neighbours but on our terms, a concept that Turkey developed already 6-7 years ago. Finally, there is Saudi Arabia which is, out of the three, the only one which is status quo actor and basically wants everything to remain as it is, remaining as the guardian of the holy shrines, maintaining the legitimacy in Islam not having any territorial ambitions (it is the only country that doesn't have any territorial ambitions towards its neighbours). Saudi Arabia does not want to invade Iraq and certainly it doesn't want to try to create a strategic corridor anywhere like the Turks do.

Longworth: What about the diaspora? Is there one? How big is it? Perceptions of the Muslim community in the UK are strongly influenced by the stories of young people going off to fight with ISIS in Syria, but members of other diasporae are influential in strengthening bilateral ties between their countries of origin and the host nation. The Indian diaspora for example in Britain is huge, there are two million Nigerians and that goes along with very strong general business trading links. Obviously in terms of GCC the remittances from abroad are not quite as important as for example remittances from the African diasporas where they are important contributors to GDP in the homelands..

Belfer: GCC diaspora?

Longworth: Yes, I don't know how big it is and how influential it might be. There is certainly an exchange of ideas between diasporae and their home countries.

Belfer: When I was writing my book on Bahrain it is one of the first things I started to focus on because many people in Bahrain's opposition are depicting Bahrain as a country that is constantly in conflict. So one of the first questions I had is can we show that there is a migration, a movement of people, who feel that they are under pressure at home and are they leaving? And then I saw

the statistics and it doesn't back up this claim. Bahrainis – Shia, Sunni, Christian – stay at home. They travel, and they come back home. There is actually no Bahraini diaspora, there are a handful of very vocal people, for example in Denmark, but it is very very small. Actually from none of the GCC countries are there very significant expat numbers. On the other hand, the GCC countries are important magnets for migrants and diasporas from throughout the region and world.

Longworth: I think an important external perception of the Gulf would relate to their engagement in investment in the home countries of the migrant workers.

Belfer: As for the GCC states though, without having a diaspora community you don't have the one extra avenue of communication. Then again, you cannot advocate, you don't want to advocate moving to the West and then we will have this dialogue. On the other hand you see that there is a vital dialogue that can take place. From my experience, people from the Gulf, when they do come to the West even to study for 3 years or 5, they very often feel alienated from some of the other existing Arab communities that are there and I remember when I was a student the Palestinians and the Lebanese really didn't appreciate the Gulf Arabs very much at all and really excluded them from the larger events and cultural activities of the Arab world because they looked at them as being spoilt and wealthy even though not every Gulf Arab is spoilt and wealthy, they often work very hard for the money they have.

It is a perception that we also need to address ourselves in the West. Arabs are not a unified people on all issues. Gulf Arabs themselves are not just one, it is not just the Gulf Arabs but there are different national, cultural experiences in each of the countries and our greatest danger is to treat all of them as being just Muslim, Sunni Arabs who live in one place with different leadership but that maybe one of the most important things that we can

get out of this—the importance of distinguishing the different nations from one another.

Longworth: Absolutely correct, Africa suffers in Europe from the tendency to regard it as a single entity whereas it consists of 54 different countries. There is a tendency not to differentiate among the cultures, economies, styles of government, social conditions and I guess the Gulf has the same issue.

Sturgess: When you were saying before about the impacts of social investments a lot comes from the Islamic Development Bank and one of the things I researched for them was where their money falls and they are making quite important social impacts. This is an aspect of actually doing things for the developing community. In terms of most of the money, the largest amounts of the money, of the forty years of existence, was to Bangladesh, Sudan, Pakistan, Jordan and places like that.

But if you do it per capita, most of the money per capita went to Bahrain. Which is very very interesting, but it is due to the fact that Bahrain has a small population but Bangladesh in contrast was, by far, needing help right through all its sectors, trade, schools, hospitals and so on. And then the next by size is Pakistan, next Sudan, and then Jordan. And a lot of money is going to Jordan because of the Palestinian refugees so they were building hospitals, camps, social housing. Where the Islamic Development Bank is much smaller in impact is in the private sector, but they are starting to see the private sector as much more important.

Belfer: May I suggest a short break?

Part 2

The EU, GCC and Economics

Sturgess: The GCC is providing quite a lot of benefits, externally, not just in the terms of the trade in volumes, but also in terms of capital flows. It is a two way street – one supply of remittances into countries like Pakistan, Sri Lanka – that is coming out of Saudi, UAE and so on. So that is the remittance flow which is actually going into countries that have been unstable and a lot of capital flows in that direction. Secondly, the Islamic Development Bank through its members, Saudis 29 per cent, Bahrain and the Emirates have shared all of this as well, they have been involved with a number of infrastructure projects, social projects, which have real social impacts, health, education, social housing, and the countries who have been their beneficiaries include Bangladesh, Pakistan, Malaysia, Indonesia.

So you are actually having these two way capital flows, one capital flow which is actually going through the people that work in the Gulf and then second capital flows which are actually more directed coming from the Islamic Development Bank and the number of other Islamic Private Banks.

Boyfield: That is something that Africa could do, isn't it? The African Development Bank and its partners?

Sturgess: Yes, but then the Islamic Development Bank also has over 20 African members and beneficiaries.

Belfer: So what does that mean for example if you are talking about Gulf engagement, through the Islamic Development Bank and their related projects? How can that go a step further to include parts of an agenda related to Europe, for instance, as a mechanism of problem solving and changing many of the narratives that would have castigated the GCC as isolated or basically out of sync with Europe and European partners.

Sturgess: One way is through facilitating trade which is one of the areas of expertise of the Islamic Development Bank since in the initial period it could only receive income from profit-sharing ventures. They couldn't invest surplus funds in interest sharing bonds so they actually developed trade finances as a means of giving money on short term projects. Then last 8-10 years have changed emphasis because of the invention of Sukuk instruments. The Islamic Development Bank has been raising capital through Sukuk.

Not just the Bank itself, the Bank has been literally billions in Sukuk issues in last few years and that has led to replication of Sukuk issues in the UK, Islamic finance, which is simply very much binding these methods you can actually see a process where European banks can engage an interest their projects.

Boyfield: And on the trade finance side because of the Bar 2 Rules which require a lot of banks operating in America, they basically withdrew from trade finance because these capital adequacy always open the door to a Islamic institutions taking part.

Belfer: How can this be used to alleviate some of the problems?

Sturgess: If you think of the GCC, you think initiatively of oil, but there has to be a role for manufacturing and Saudi has a growing manufacturing base. This has to be stimulated in the GCC countries themselves, but not through the big engagement of public sector, there is a need very much for the private sector, the jobs for people and this process..

Belfer: It seems like that maybe the Islamic Development Bank is not doing enough?

Boyfield: It has grown in its scale.

Sturgess: It has only been in the last decade pulling out sources of finance separately from the GCC members, but obviously the members in Africa are the net recipients, Saudi Arabia, the Emirates, they get less back than they put into it.

Longworth: There is a perception that could be discussed in terms of finance, but also money in any case. A recognized feature of the Gulf is as a source of individual philanthropy, but this only goes so far in terms of development and job-creation. What does work is a private sector approach to investment which makes for sustainability whether of infrastructure, agriculture or trade finance projects. Aid can deal with emergencies and provide short term solutions, but sustainable development only comes through investment and the trick still to be mastered in so many developing and emerging markets is to create a favourable investment climate which gives comfort to international business and finance.

Boyfield: That's the role for development banks because the African Development Bank would project and then attracted another .

Longworth: Sovereign funds have the potential to complete investment profile of long-term projects which can be started off with development finance and equity but need patient money for the longer haul. Along with pension funds and insurance sovereign wealth has an important role to play in this regard.

I would have thought that was somewhat of packaging this beneficial use of private money as a Gulf brand

Boyfield: I was at a meeting earlier this week where there were a number of people representing family funds, that is to say family wealth offices; they were pointing to the families that will often have a forty or fifty year time horizon, so they really were looking for sustainable investment opportunities.

Sturgess: Yes, that is what is called patient capital.

Boyfield: It is often a lot to do with just how much money is in these family offices. There are some of these who were dealing with families who had multi-billion dollar resources, which is a colossal sum of money. This is clearly a potential source of funding for infrastructure.

Belfer: I am wondering if something like the Islamic Development Bank is, because all the GCC countries are its net contributors, and the outcome and the beneficiaries for example are none of the GCC countries, so to what extent can we see the IDB as a reflection of foreign policy. Not that kind of foreign policy of the GCC countries vis-à-vis.

Sturgess: Soft power.

Belfer: It is a degree of soft power but it is not something which is very well either known or regarded.

Sturgess: It is not and it is very strange because it was its 40th anniversary, I was surprised how much is there to know which doesn't really get talked about and quite often it gets talked about more often in the Islamic world obviously but it is not recognised much in terms of funding.

Boyfield: But it funds agricultural research institutes for example.

Sturgess: The Emirates funds its agricultural research in rural areas and is a world leader.

Longworth: That is something that is exported probably on the basis of knowledge within the Gulf.

Belfer: Let us get back to our initial challenge we had as we identified with ISIS and the alienation, and youth alienation. So basically the solution or one of the angles of the solution can be the soft power as derived from financing of these kinds of important projects.

Longworth: But the trick is that to get the private sector involved, they have to be able to identify returns, be commercially viable. It doesn't have to necessarily be great funding but they need to know they can get it back. But there is scope to invest with

social awareness and secure a commercial return. The reputational impact for a financier and developer will be all the greater if, for example they include affordable or social housing as part of projects at the higher end of the market. Adding, say, 500 affordable homes and a sustainable power plant that can provide electricity for a market and a local community would reflect very well, while remaining commercially viable.

Sturgess: I was really surprised when I worked for them that, there is such an emphasis on projects like rural electrification in Morocco for example that was carried out by the funding from the bank. Also an international port in Djibouti, massively increased capacity funded by the banks.

Longworth: As all the Chinese warships know.

Sturgess: Solar energy in Bangladesh, the list is endless, funding universities in Indonesia.

Belfer: Maybe it is time to put together series of conclusions with recommendations. We can see we do get soft power coming out from Saudi via the IDB and probably the other channels as well which goes unrecognised within the European context which views Saudi Arabia and the GCC countries more negatively so if we start coming up with conclusions, instead of what is the average media kind of model or PR let us try to repackage it. Is there something that not only the Saudis, but the GCC countries could or should be doing to demonstrate that they are not just this incubator of Islamist movements but, in fact, are trying to counter this, as evidence that they have all this kind of engagement, soft power engagement with the rest of the world. My personal experience from the Gulf is that many in the GCC they are not active in trying to show what they are doing it is not part of their culture rather for them the truth will eventually come out and people will recognise that they are investing heavily in developments around in Africa, sustainable development in other parts of the world.

Sturgess: They are extremely poor on communications, not to criticise them but, that was the weakest part of their functions

and then possibly the next step is they are going to engage in private sector. Which they will start to do more but that is a connection in sense because private sector by its nature tends to communicate with the public sector.

Boyfield: And also to improve what they were doing on a small and medium size enterprises (SME) level. That is not what we have done because it is all tootricky to do that because the definition is much more fragmented at sector level..

Longworth: They should be also doing this in partnership with the private sector, with local banks. The Japanese Bank for International Cooperation provides a guarantee fund with most of its programmes tied to Japanese products. But they also have an untied programme for sustainable energy investment which allows them for example support one of the big South African bank's investment in this sector. Partnering with a local and respected entity would enhance the host country's perception of an Islamic institution.

Belfer: The big issue of course is that even to get that far in branding, and also profiling not only the work that is being done but to turn back some of the negative stereotypes, generate trust and the problem that is playing a big role is that there is this public distrust in Europe, a public distrust of the Arab states in general, but also the GCC and that is something that should really be worked on.

Boyfield: Because they tend to hear only a few positive stories about the Gulf and the GCC. Everything they hear about the GCC has a negative connotation.

Belfer: Yes and it casts the Arab Gulf as either being basically spoilt or as a kind of incubator of radical ideologies. And there is a very little room to interpret it otherwise, within the public discourse.

Longworth: There is clearly some work to be done on the public image in bringing a greater awareness of the beneficial activities of the Gulf states to outweigh negative perceptions, for example

of conspicuous consumption and corruption. Bringing the social and developmental investment flows which already exist into the dialogue as well as the work taking place in new technologies, taking a greater profile at international conferences to demonstrate these contributions to knowledge and innovation would get this knowledge out of the closed circle.

Boyfield: And one of the things is also looking at issues such as climate change and what has been done in the Gulf. In terms of countering desertification, for instance, has been a real issue in Bahrain.

Sturgess: And Jordan as well.

Belfer: Maybe Jordan is also a country we can consider, it is not GCC, but it is a very important actor. Firstly it is very close, also ideologically, to the GCC but it is a country that never had oil. So it did not experience that kind of oil boom like many of the GCC countries have. Not all but many. Bahrain's oil boom was very early on 1940s, 1950s, 1960s, when the price of oil was still cheap so it didn't experience it in the same way as Saudi Arabia does in the 1980s and 1990s. Because by then Bahrain's oil industry has been reduced – well it has always been relatively small – and Oman that is also a country that didn't have substantial energy reserves so its experience is considerably different. Jordan never had any of that at all.

Jordan always had to import its energy supplies typically from Saudi or the Iraq and has been manoeuvring itself to try to become a leader to sustainable development and clean energy, and also a political conduit between the Arabs and Israelis and also within the Arab-Arab conflict as it unfolded. Maybe there is something like a Jordanian model that could be attached to the GCC model to try to profile the region differently, both economically as well as politically.

Sturgess: Jordanians also had to cope with a lot of refugees.

Belfer: And not just Syrian refugees. They have dealt with Palestinian refugees since 1947, that is maybe why their model is

something to explore because none of the Arab Muslim countries have accepted the UN treaty on refugees because that would acknowledge the birth of Israel and the displacement of Palestinians. Which is why in the press nowadays everybody talks about how the GCC countries are doing nothing for the Syrians, but of course we know that that is not true.

For example the Jordanian model all the way back in 1940s was basically to give citizenship to the Palestinians rather than keep them in refugee camps and the Saudis are doing that with the Syrians today. They basically give people nationality or some kind of a status in society rather than treating them like refugees and putting them into refugee camps.

Boyfield: I think it is very important to focus on some success stories. One example could be the work that is being done in places like Bahrain on nature conservation, and the way they have been able to work on conserving coral reefs, which is something we don't hear so much about in the West but it is something that could really bring people together. And it also helps in terms of eco-tourism. There is a lot in eco-tourism. For example, in Rwanda 80 per cent of export currency is directly attributable to eco-tourism and there are some major success stories in the Gulf, places like Abu Dhabi where terrific work has been achieved with coral reef conservation through the responsible development of the new container port.

Belfer: Great. That means that it is not all darkness and there are some positive stories.

Longworth: There is a lot to do. It is a question of priorities. In which of these areas that we have been would action have the highest impact?

Belfer: And I think on that note and with a nice question mark at the end that may actually be best for our grand finale.

