

Southwest Asia behind the Veil of Daily News

Hussein Askary

The Canon Institute for Global Studies

December 5, 2013

[Slide 1: title] When you watch the daily news coming out of Southwest Asia (Middle East), and North Africa you imagine that that place is going down to a hell of religious wars and destruction. And you would be right, accept for two things: 1. that world history is not shaped and governed solely by mechanical interactions between individuals, groups and nations. History is to a large part governed by ideas that develop or degenerate within each individual, group and nation. 2. whatever happens in that region is often shaped or effected by global power struggles and economic interests, or as local reactions to the policies of the major powers. But even with that fact in mind, major powers are not always of evil intentions and their leaders are not always unreasonable. It depends on what ideas (or ideology) they carry or learn to carry in their minds. So, history is not static, and it is subject to human will and intentions.

Therefore, things can change quickly in this region.

[Slide 2: Southwest Asia political map]

In May this year, we were almost on the brink of WWII when Israeli airplanes bombed targets in the Syrian capital Damascus. Syria, Hizbollah in Lebanon and Iran (who are allies) were ready to retaliate, and Israel to counter-retaliate. The U.S. would automatically intervene on the side of Israel. Russia was also poised to intervene turning the regional conflict into a global conflict. This is how WWI started with proxy wars in the Balkan. But the situation was cooled down through midnight telephone calls between the Russian President Vladimir Putin and U.S. President Barak Obama. The war in Syria continued, and we were at the same point of global war once again in August, when chemical weapons were used in Al-Ghouta east of Damascus. It is not yet clear who used them, but the U.S. and European leaders were ready to immediately put the blame on the Syrian government and army. The U.S. President was ready to move in militarily, but the Russians and cooler heads in the and U.S. military leadership and the State Department got immediately into action to prevent that. The decision by the British Parliament to oppose Prime Minister David Cameron's flight forward to war also played a key role in stopping the march to war. It is clear that the U.S. public opinion is against any new wars in the region, after the great disasters they have witnessed in Afghanistan and Iraq. But public opinion did not prevent President Obama from launching an illegal war on Libya in October 2011.

Now the region is suddenly on the path of peaceful settlements. Due to the intensive U.S.-Russian diplomacy, a peace conference is now planned to take place in Geneva in mid-January, 2014, in which both the government and opposition agreed to attend.

A major achievement was made in November, concerning the Iranian nuclear program, which was a hanging sword on the heads of the region and the world. The fuse of an Israeli or American attack on the Iranian nuclear facilities is removed temporarily following the interim agreement signed by the 5+1 group and Iran in November 24. Certain economic sanctions that are killing the Iranian economy and many people will be eased. Iran would stop certain Uranium enrichment activities. I will spare you the headache of the details.

These two developments have shifted the course of events from the brink of hell all suddenly. Of course for many people, this came as a surprise. But for others who have a different view of history, and are actively involved in shaping it, it was not.

The election of the new Iranian president Dr. Hasan Rouhani in June 2013, was a major surprise, because he came into the presidential race in the proverbial last minute, and his candidacy represented an institutional compromise. He is neither an extreme reformist nor an extreme religious fundamentalist. He is perfectly suited for dialog with the west and the USA. He is a moderate cleric, former secretary of the national security council of Iran, and the head of the nuclear negotiations team with the West 2003-2005, and all that, combined with the blessings of the Supreme Leader Ayatollah Ali Khamenei, to pursue a new path with the western powers and especially the U.S. His foreign policy team is manned by a new generation of young diplomats who served in the West and even in the U.S. as UN representatives. His election opened the door for a major shift in Iranian foreign policy, to accept direct dialog with the U.S. which the former President Ahmedi-Nejad rejected, and reach an agreement which will remove the harsh economic sanctions and help develop the nation's economy, especially the oil industry and basic infrastructure.

The specter of religious wars

But a lot of work remains to be done in the whole region. While political and even economic ideological fights can be forgotten quickly, as communism is forgotten now, the deep wounds created by religious and ethnic wars take many generations to heal. The Shia/Sunni divide which is tearing Iraq, Syria, Lebanon, Iran and even Pakistan and Afghanistan into pieces, has become an existential danger. Although this obviously theological divide has existed for about 1400 years, this is the first time it has exploded into a full-fledged regional armed conflict.

This is a very new phenomenon. It became a real danger with the Afghan war in the 1980s, when the United States and Britain's intelligence services came up with the ingenious idea of training and arming Islamic extremists to fight the Soviet army which had invaded Afghanistan. These Islamists were then called Mujahideen or Jihadists. They were also financed and religiously controlled by the Saudi elites and other rich Arab Gulf states. The

Saudi kingdom's official theology is Sunni Wahhabi, which is an extremist, puritan doctrine invented in the 18th century by an outcast cleric called Muhammad Abdulwahhab, who considered all practiced Muslim sects both Shia and Sunni as not pure Islam as practiced by Prophet Mohammad and his immediate followers (The Salaf in Arabic, hence Salafist doctrine). The Salafists argue that Muslims should follow the word of the Holy Book the Quran literally, and imitate the lifestyle, behavior and norms of the early Muslims in every detail down to the dress code. They keep a special kind of hatred to the Shia because of old historical power struggles. Abdulwahhab, created a dangerous rule called today Takfir, which means that you give yourself the right to declare others as heretics, and thus doom them to death as a legitimate punishment for changing the pure Islam.

Abdulwahhab made a political agreement in 1744 with one of the key tribal chiefs in the Arabian Peninsula, Mohammad ben Saud, who was in a rivalry with other tribes for control of what is today the eastern part of Saudi Arabia. The British Empire in the 19th and 20th centuries, found in Al-Saud and its Wahhabi militants a useful ally against other rivals like the Ottoman Empire. They helped and signed special military and trade agreements with not only Al-Saud but with all the other main tribes in the Gulf and Sea of Oman to secure the British Empire's trade routes to India and Asia. Later after discovering the importance of raw oil for operating the fleets of the empire, it became even more important to keep this area under control. These tribes are now the modern nations of the UAE, Oman, Bahrain, Qatar and Kuwait. These nations became independent in 1971 when the British government realized that the old imperial methods cannot work in the modern world. But the British really never left (See below)

Now, not all Jihadists are Takfiris, but the most extreme of them, like members of Al-Qaeda, which was born in Afghanistan and follows the Salafi/Wahhabi doctrine, the Taliban in Afghanistan and Pakistan, in addition to the terrorists groups active in Iraq, Syria and parts of Africa and the Caucasus are takfiris. These groups have been in a love/hate relationship with the U.S.-British-Saudi intelligence because their services are needed at times, but when they are no longer needed and discarded, they strike back at their former masters. They were useful in Afghanistan in the 1980s, were useful in Libya in 2011 and have been in Syria and are called "freedom fighters". Ironically the same groups are being targeted in Afghanistan, Mali and Somalia where they are called terrorists. The fact that these groups have been using Syria as a global recruitment and training base for jihadists including from Europe and the U.S. and who could get out of control, has scared Western politicians. Therefore, accepting the latest diplomatic solution in Syria between Russia and the U.S. is partially a result of this fear.

Therefore this Shia/Sunni conflict is a new development, and it became a serious issue when the Shah of Iran was overthrown in 1979, and Ayatollah Khomeini declared Iran as an Islamic Republic with Shi'ism being the predominant doctrine of the state. That made the rivalry between Saudi Arabia and Iran and the consequent war between Iraq and Iran 1980-88 take on a religious color. That was developing in spite the fact that we in Iraq never looked at the war this way. When I went to school and university in Iraq, I never knew who of my friends was Sunni or Shia, and we never bothered about it. My own brother is married to a woman from

the other sect. The big problem during the Iran-Iraq war in the 1980s was that, beside the Kurdish rebels (who were fighting the government on ethnic basis not religion), the other major opposition group was Shia Islamist parties, who automatically became allies of Iran in the fight against their own government. Many of the Shia leaders were considered traitors and were either executed, imprisoned or fled to Iran or went into exile in Europe. In Iraq itself it was made difficult for religious Shia citizens to assume important positions in government. So, the Iraqi state under Saddam Hussein was made Sunni-dominated. For us as Iraqi nationals, we understood this as a fight for political power in a dictatorship and not about religion. For the Saudis and the other Gulf states, who were supporting Saddam's Iraq against Iran, this was a religious struggle as well as a geopolitical one. It is needless to say that Iraq was supported by both the West and the Soviet Union. Following the invasion of Iraq by the U.S. and Britain in 2003, the Shia opposition to Saddam in Iran and exile came back with a vengeance to take over the institutions of the state which now were destroyed and cleansed of the pro-Saddam groups who happen to be Sunnis. With those Shia parties came the influence of their Iranian benefactor and protector. The Saudis and other Gulf states, (in addition to the new occupiers of Iraq, the U.S. of George W. Bush and the U.K of Tony Blair) were alarmed. Once again, financing, arming and sending Salafi Jihadists to Iraq to fight the pro-Iran Shias became tolerable, and a blind eye was turned to this development.

Following a famous visit to Saudi Arabia in 2006 by then U.S. Vice President Dick Cheney, a new term was born, "The Shia Crescent", comprising Hizbollah in Lebanon, Syria, parts of Iraq and Iran. According to the U.S. and the Saudis, this "crescent" of predominantly Shia sect members, is a threat to the pro-Western Sunni states, Saudi Arabia, the Gulf States, Jordan and Egypt. An alliance was developed to counter that Shia Crescent. So, geopolitical conflicts were turned into religious ones. And religious wars are the worst kinds of wars, due to the notion of revenge, and they can last for generations and even centuries. Europe had learned its lesson, due to the religious wars in Europe that lasted from 1492 to 1648 when the Treaty of Westphalia was reached to end the 30-Years War between Catholic and Protestant powers. The 30-Year War almost annihilated whole communities in central Europe.

The Arab Spring

The social uprisings in North Africa and other Arab countries in Southwest Asia starting with Tunisia in October-November 2010, which are collectively called the "Arab Spring", were an important wake-up call for these societies and their political elites, that the people will no longer accept dictatorial rule. The uprisings started with protests against social and economic conditions compounded by political injustice and oppression. But remember that the dictators in Tunisia, Libya and Egypt were, before they were overthrown, great allies of the U.S. and the EU in the fight against terrorism, and great examples of economic reform policies in the eyes of the international financial institutions.

But these were not revolutions in the true sense of the word, because they lacked the organizing political, intellectual and scientific leadership which usually characterize major

revolutions, such as the U.S. Revolution of 1776 or even the revolution/coup d'état of the Free Officers in Egypt under General Gamal Abdel-Naser in 1952, which transformed Egypt politically, economically and culturally. The overthrowing of the hated regimes has become a goal and end in itself. Therefore, new groups that came to power were not capable of reversing the social and economic conditions after the political oppression was removed. (My forecast for Egypt in July 2012 fully proven in July 2013, see appendix). Therefore, the so-called "revolutions" become permanent ones with no end in sight. In addition, the militarization of the uprisings in Libya by Nato, and in Syria by allies of Nato, have once again brought parasitical extremist groups into power, such as the Muslim Brotherhood and militants of Al-Qaeda, as in the case of Libya. The uprising in Syria is now turned into a regional and global proxy war among all the elements mentioned above. If that war and the ongoing terror operation in Iraq are not stopped with diplomatic peaceful means, followed by massive economic and social development programs, this region will disintegrate into a new dark age.

The responsibility to achieve that is collective. It is both the responsibility of the world powers, the regional powers and the communities themselves. What is missing is a common goal for all these elements, which can unite them and be a warrant for lasting peace, if peace is ever achieved.

A region of Great Contradictions and potentials

Now, after this horror show, let's see what can be done here, and what can unite these nations. What potentials are there for these nations and for the world to make the absolute effort to achieve peace and stability in this region.

[Slide 3: World Landbridge] So let's look at the world and region from outer space. This is the best-case scenario designed by my institute, the Schiller Institute and the LaRouches. A world of physical economic development, trade and cultural exchange between independent, sovereign nation states. A world free of empires and illegitimate ambitions.

[Slide 4: Zoom on Southwest Asia and East Africa] This region does not only contain the greatest reserves of carbohydrates, it is a strategic bridge between three continents. It is also potentially one of the largest markets for high technology, due to the lack of basic infrastructure, modern agriculture and industry, and the presence of great population potential and ambition for development.

But, beside the political problems in this region, we have natural problems. This region is one of the driest on earth and is at the cross roads of the world's largest desert areas.

[Slide 5: World deserts]

The definition of deserts is that the annual precipitation (rain and snowfall) is less than 250 mm, and for arid areas which most of these regions are is 250-500 mm. To give you a sensual

approximation, the average annual rainfall in Tokyo area is about 1500-1600 mm. Of course, that amount is not evenly distributed, so some areas, like Jordan get much less rain than other countries.

Besides terrorism, this region is frequently visited by sand and dust storms.

[Slide 6-16: Satellite images of sandstorms]

They cause major disturbance for all economic activities and affect the health of the people.

The solution for this is to create so-called green belts.

[Slide 17: Iraqi Green Belt Plan]

The Iraqi Green Belt plan was designed in the 1970s, but is still waiting for implementation.

[Slide 18-19: small green belt project in Iraq]

Of course, what is required to plant these green belts is large amounts of water that are lacking both due to the small amount of precipitation, and the dysfunctional infrastructure.

Therefore the opposite of sandstorms takes place when it rains.

[slides 20-23]

These images are all from Saudi Arabia, the world's largest exporter of oil, not a poor country. But the lack of efficient basic infrastructure is typical for the whole region. This is a good example that wealth cannot be measured by money.

Dubai, real-estate ponzi scheme

Another example of the massive contradictions in the region is the distribution of wealth and the use of that wealth. Let's take the legendary city of Dubai.

You have heard of the tallest building in the world. Burj Khalifa or Khalifa Tower.

[Slide 24: Bourj Khalifa]

It was not called that when it was planned in 2008 and when it was under construction, I will explain that in a moment.

Here are some of the impressive real estate and tourist projects of unheard-of global dimensions.

[Slides 25-29: New real estate projects in Dubai]

Ponzi scheme: What is not known about this massive real estate overkill is that it was both a sink hole for Arab wealth and a well-ordered ponzi scheme. After many years of massive growth in real estate value backed by investments from all around the world, the global financial crisis in 2007-2008 started to show its impact on the investments in Dubai. In November 26, 2009 the Dubai World, the emirates government-owned holding company requested to delay for 6 months its repayment of US\$ 26 billion of debt. That signaled to the international markets that the largest sovereign default since the Argentina default of 2001 was under way in amidst the worse global financial crisis in history. Stock markets around the world fell on that day and November 27. Immediate debt rescheduling emergency talks and a rescue package of US\$ 20 billion from the sister Emirate Abu Dhabi “saved the world” of finance. The magnitude of the debt of Dubai world was US\$58 billion, and the total debt of all the other major real estate corps of Dubai was about US\$ 180 billion. It is obvious that the real estate bubble of Abu Dhabi was a grand and prestigious Ponzi Scheme wherby investors bought projects in the future and the money they invested was used as payment to previous investors. The oil rich Abu Dhabi had to pay for most of the rescheduled debt, and the Dubai Tower, upon its completion in Janary 2010, had changed its name to Khalifa Tower (Burj Khalifa, Khalifa (bin Zayed Al-Sultan) being the Emir of Abu Dhabi who saved Dubai!

[Slide 29: Dubai world sinks in the sea]

And this is what is left of the Dubai World project. There are more lawyers involved in this project now than engineers, because investors who bought countries on this non-existing world island in 2006-2008 want their money back.

Sovereign Wealth Funds

[Slide 29: The SWFs]

Abu Dhabi has the largest Sovereign Wealth Fund (SWF) in the world, after China. With its close to trillion dollar fund in assets, the United Arab Emirates, like the other Arab gulf states, are throwing money all over the world markets, buying real estate, infrastructure, football clubs etc. The Arab SWFs have been an important player in the bail out of the American and British banking sectors.

[Slide 30: SWF investments by sector]

But all that money cannot stop sandstorms nor prevent floods.

[Slide 31: The Global Money Machine]

In this slide you can see what is called the Global Money Machine of SWFs, and the agencies and advisors who inform the Arab and other SWFs where to invest their money. As you can see almost all those consultants are either British or American.

The British Empire never left

When the British Empire formally left this region and the Gulf states became independent in 1971, the British economic empire remained there. Security arrangements, arms deals, and financial control kept these countries tied to the British and their ‘special friends’ the Americans.

[Slide: 32: Return to East Suez, RUSI]

These British gentlemen in the Royal United Services Institute (RUSI) say almost the same thing as I indicate here. The empire never left indeed. This report is worth reading, not only because of its clear content and intent, but because this institute’s work is followed by the British elites, from the Queen down to the clerks and the cleaning ladies in the Parliament. It envisions a “new” strategy for the empire to “return” to the Gulf: to protect the kingdoms and sheikhdoms militarily in that instable part of the world, because they represent not only a major source of finances for the City of London and arms deals for the British industry, but also because this region represent a key element of the global power struggle between the U.S. and its developing rival(s) in east Asia, namely China.

I explain, and this would conclude my presentation.

Energy wars

Lets go back and look at the region from outer space!

[Slide 33: Zooming on the region within the World Landbridge]

I had the opportunity in March this year to visit the Iranian port city of Bandar Abbas. It is right on the Hormuz Strait in the Persian or Arab Gulf.

[Slide 34: Bandar Abbas]

Standing on the Island of Hormuz, you have to imagine that this place, due to geopolitics and wrong economic policies, have become the bottle neck of the world’s economy.

[Slide 35: Strait of Hormuz]

44% of all world production of oil passes through here. 90% of that goes to fuel the economies of Asia, not the USA or Britain. Last year, there was a great deal of commotion when the Iranian Commander of the Revolutionary Guard, hinted in response to threats by the U.S. and Israel to use military means to stop the Iranian nuclear program, that Iran would block the Strait of Hormuz. Iranian officials tried later to calm down the concerns of the world saying that this was a rhetorical statement.

[Slide 36: World largest energy importers]

China and Japan are the number one and two of the largest importers of fossil fuels in the world. The USA comes third. The difference is that unlike the USA, China’s and Japan’s

imports, (and we can add South Korea and India), of oil and gas come from this troubled region, through that bottle neck in the Strait of Hormuz. That fact puts Asia and the world economy in a precarious situation. China imports about one third of its crude oil supply from Southwest Asia. Japan imports 80% of its crude oil from this region according to 2012 statistics. South Korea imports 85% of its crude oil from this region and India 60%. As you know, Japan has increased its reliance on imported oil and gas following the shutdown of the nuclear power plants.

It is no wonder that the gentlemen in RUSI institute mentioned above, are rightly pointing out that this reality is giving Britain and its “special relationship” both to the Gulf states and the U.S. a major leverage in world politics.

Conclusion

[Slide 37: Water, the source of life]

In a better scenario for the region and the world, the shift from power politics and imperial geopolitics to a system of respect and cooperation among sovereign nation-states, and the shift from reliance on fossil fuels to modern nuclear fission and fusion power would secure the needs of nations and prevent war over so-called limited resources. Petroleum would not be burned for the energy content, but become an industrial feed stock to build car parts, building materials, medical materials, fertilizers.. etc. In that world, fresh water will once again be worth more than oil. Water would regain its original position as the primary sources of life.
