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THE CASE OF THE "BREAKING THE IMPASSE" (BTI) INITIATIVE IN THE MIDDLE EAST

By Professor Jean-Pierre Lehmann – June 2013

A significant initiative was taken recently that conceivably could end the deadlock and alleviate the misery in the Israel-Palestine relationship. While critical for that region, the initiative also needs to be seen in a broader global context.

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The rather depressing state of contemporary global affairs notwithstanding, it should not be forgotten that there is also a lot of good news. Without doubt the best was highlighted in a recent (1 June) issue of *The Economist*: between 1990 and 2010 global poverty was cut by half. Standing currently at 21% of the world's population, why, asks *The Economist*, should it not drop to 1% by 2030? The eradication of poverty would indeed stand out as a remarkable achievement for humanity in the 21st century.

The great progress in poverty reduction in the period 1990 to 2010 is due to many factors. But the evidence irrefutably shows a clear correlation between a nation's friendliness to business and trade and the decrease in poverty. This unprecedented reduction in poverty occurred simultaneously with the radical market-oriented economic reforms undertaken by a great number of countries during those two decades. Contrasts can be drawn, for example, between the three decades of Maoist China (1949-1976) and the three decades following Deng's 1979 reform programme; or between North Korea and South Korea; or indeed between Myanmar and Thailand. As Myanmar seeks to emulate the Thai model, it too may envisage a population far less mired in poverty.

Poverty does persist in nations that implode and/or are engaged in warfare. Bosnia-Herzegovina was one of the richest regions of former Yugoslavia. The war that devastated the country between 1992 and 1995 transformed it into the poorest, still subsisting mainly on aid. Poverty would seem to remain endemic in a number of strife-torn sub-Saharan African countries, notably the potentially rich but devastatingly poor Democratic Republic of Congo.

The big question for the 21st century is whether war will be eradicated or, perhaps more realistically, remain, but at the periphery of the global economy, or, by far the worst scenario, whether the 21st century will see a repetition of the disastrous 20th, during most of which warfare, great misery, inhumanity and deprivation prevailed.

From a global geopolitical perspective the continent that counts most is Asia, defined broadly here as stretching from the Gulf to the Pacific. Though parts of Asia have been a great economic success story, the geopolitical narrative is rather different. It is in Asia that the fault-lines are most acute and there is the heaviest concentration of nuclear weapons: in West Asia with Israel and possibly Iran; in Central and South Asia with Pakistan and India; in East Asia with China and possibly North Korea; while the American and Russian nuclear powers remain vigilant. In parts of Asia wars are raging – notably in Syria at the moment – while in others tensions are acute: between China and Japan, Vietnam and the Philippines, South Korea and Japan, Iran and Saudi Arabia, Pakistan and India, and so on.

There are many possible *casus belli* (causes of war) in Asia. In a remarkable book (*Water: Asia's New Battleground*) Brahma Chellaney compellingly demonstrates how water is the principal factor in the Asian 21st century narrative. The challenges and risks are immense. They are manageable, but only so long as a spirit of cross-border solidarity and institutions for effective collaboration prevail. At the moment this is hardly the case.

Breaking the Impasse
In respect to both water and potential causes of conflict, the situation in West Asia between Israel and Palestine is especially critical. Twenty years after the launch of the Oslo Peace Accords, not only is there a stalemate, in fact conditions in every respect have dramatically deteriorated. Just over twenty years after the destruction of the Berlin Wall, a much bigger and longer wall was constructed by the Israelis across Palestine, impeding the flow of goods, people, families and resources, including water. In a detailed analysis, *Water for One People Only*, author Elisabeth Koek says the distribution of water in the Occupied Palestinian Territories (OPT) corresponds to "water-apartheid", with very ample provision for the Israeli settlers and stark restrictions for the Palestinian population.

With hatred on both sides having greatly intensified over these last twenty years, it is impossible to envisage that this neither-peace-nor-war status can be maintained; the situation is unsustainable. In light of the highly turbulent state of the MENA region in general, another war could have disastrous consequences not only regionally but globally.

It is in this context that an initiative undertaken by business leaders from both Palestine and Israel is much to be welcomed and encouraged. The *Breaking the Impasse* (BTI) initiative is under the aegis of the World Economic Forum and led by Munib R. Masri, the Palestinian Chairman of PADICO Holding, and Yossi Vardi, the Israeli Chairman of International Technologies Ventures. The initiative brings together some 200 Palestinian and Israeli business leaders, who, "alarmed by the perilous impasse in making peace between the two sides, have come together with an urgent call for action".

The idea that business can be involved in promoting peace is not new. In 1919, in the wake of World War I, the International Chamber of Commerce (ICC) was established in Paris (where the Peace Treaty negotiations were being held) by a group of business leaders who dubbed themselves "merchants of peace" and whose motto was "world peace through world trade". History turned out rather differently; business leadership for peace failed because of the scandals and skulduggery that afflicted business in the 1920s and the great depression that followed.

At the recent BTI meeting at the Dead Sea, in identifying obstacles to the initiative, the business leaders admitted that part of the problem is the current absence of trust in corporations. Business in general tends to have a bad reputation.

Business must contribute to peace for many reasons, not the least of which is that peace is good for business. If poverty reduction were to be reversed through some great geopolitical conflagration, humanity, including business, would greatly suffer.

Business leadership in promoting peace is jeopardised in part by the perceived ethical failings of corporations, but also and perhaps even more so by the general lack of understanding of, or indeed interest in, geopolitics by business. In an age where global governance and global institutions leave much to be desired, with the agendas of many key global issues, whether trade, climate change or nuclear proliferation, stalled, or worse, jettisoned, there is all the more need for business leaders to step up to the plate. The BTI initiative deserves global business support as the prospects for global business may depend on whether it fails or succeeds.

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