

# Cost of Conflict in the Middle East

A unique report that will finally CHANGE MINDS

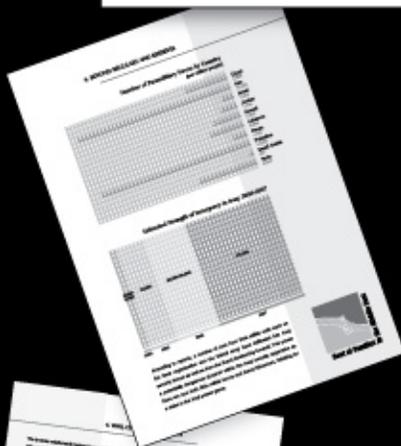
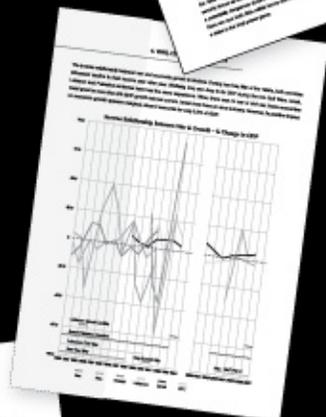
For the first time in sixty years, a detailed assessment of economic, human, military, environmental, social, political, diplomatic, psychological, and all other costs and benefits of potential peace in the Middle East is made using 97 different parameters. This is an innovative document fully presented in the form of graphs and diagrams. It demonstrates the power of numbers to change the minds of people.

As the United States and the international community prepare for fresh policy initiatives in the Middle East, this is an essential tool for political leaders and negotiators. It is also a great resource for scholars interested in the region as well as those looking for innovative approaches to peace and conflict analysis anywhere in the world.

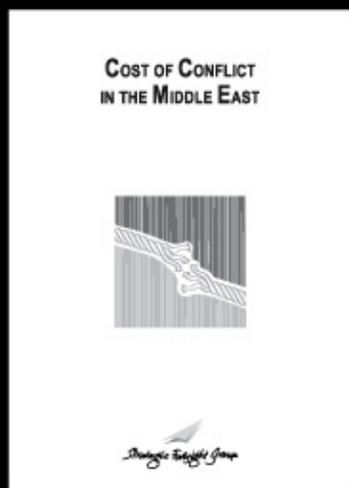
Strategic Foresight Group (SFG) is a think-tank based in India with global reach. It helps policy makers to plan the future in uncertain times. Its earlier 'cost of conflict' reports on India-Pakistan and Sri Lanka have had measurable policy impact. Impressed by the policy impact of the earlier reports, Strategic Foresight Group was supported by governments or leaders of Norway, Switzerland, Turkey and Qatar to prepare a detailed report on Cost of Conflict in the Middle East. More than 50 leading experts from Israel, Palestinian Territories, Iraq, Lebanon, Jordan, Egypt, Qatar, Kuwait, and the Arab League participated in the process.

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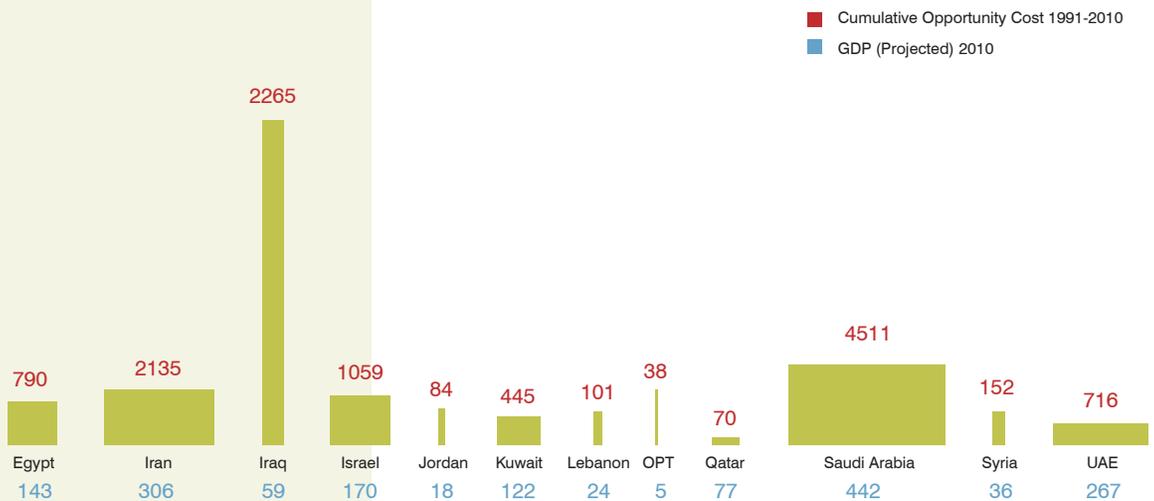
**Excerpts**  
from the Report



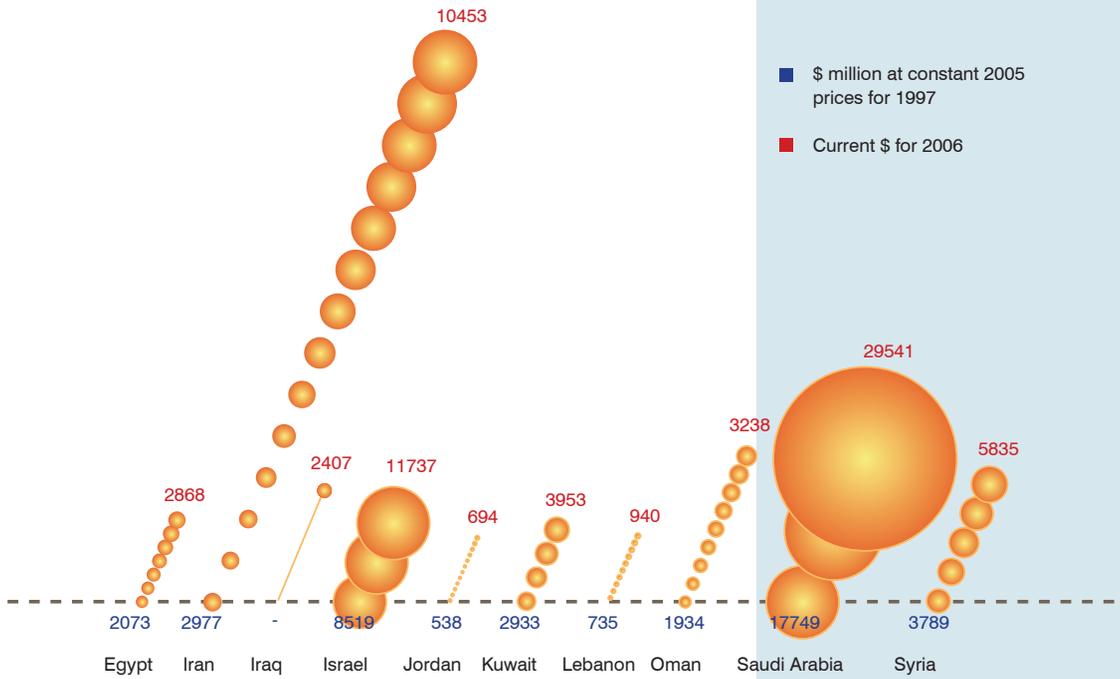
## 2. OPPORTUNITY COST RELATIVE TO SIZE OF ECONOMIES

The opportunity cost for 1991-2010 appears largest for Saudi Arabia at \$4.5 trillion or one third of the total opportunity loss incurred by 13 countries in the region. However, as compared to the size of its economy, Iraq has suffered the largest loss. Its GDP could have been more than 30 times of its present size. Moreover, we have used 1990 as the base year. Iraq had already spent a decade in a war with Iran by that time. If we examine Iraq's opportunity loss since 1980 when it entered a period of warfare – first with Iran, then Kuwait and finally the West – it would be at least 50 times of its GDP in 2010.

### Opportunity Cost in Comparison with the Size of Economies (In 2006 \$ billions)



### Total Military Expenditure by Country



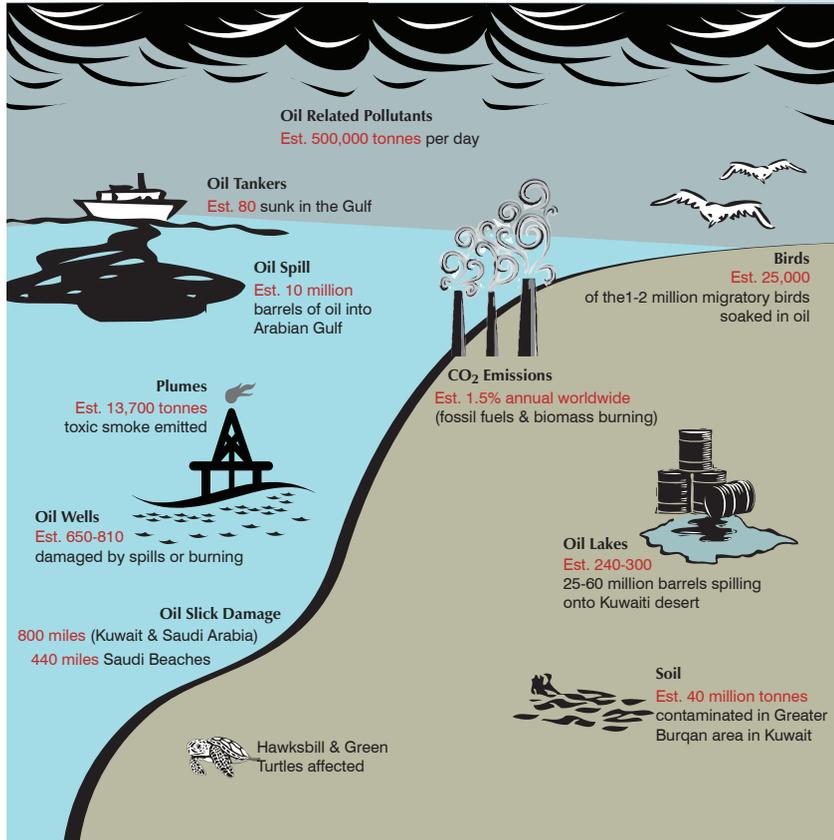
There is a race going on in the Middle East – an arms race. Saudi Arabia leaps in a decade from \$18 billion to \$ 30 billion, Iran from \$3 billion to \$10 billion, Israel from \$8 billion to \$ 12 billion – and this was in the times before the dollar began its slide. As a region, it registered the highest increase in the world in the decade ending 2006, closely followed by the United States, which is extensively involved in the Middle East in any case.



## 1. SPILLS, FLAMES & WELLS OF WARS

### Environmental Consequences of Oil Related Damage

#### First Gulf War: 1990-1991



According to Iraqi estimates, 15 million barrels of oil and 1.5 million cubic meters of petroleum products were burnt during the First Gulf War. It took 9 months to extinguish all Iraqi oil wells. On an average most beaches contaminated by oil slicks take 5 years to recover, whereas beaches affected during the First Gulf War needed more than a decade for recovery.

The war caused severe landscape degradation as well.

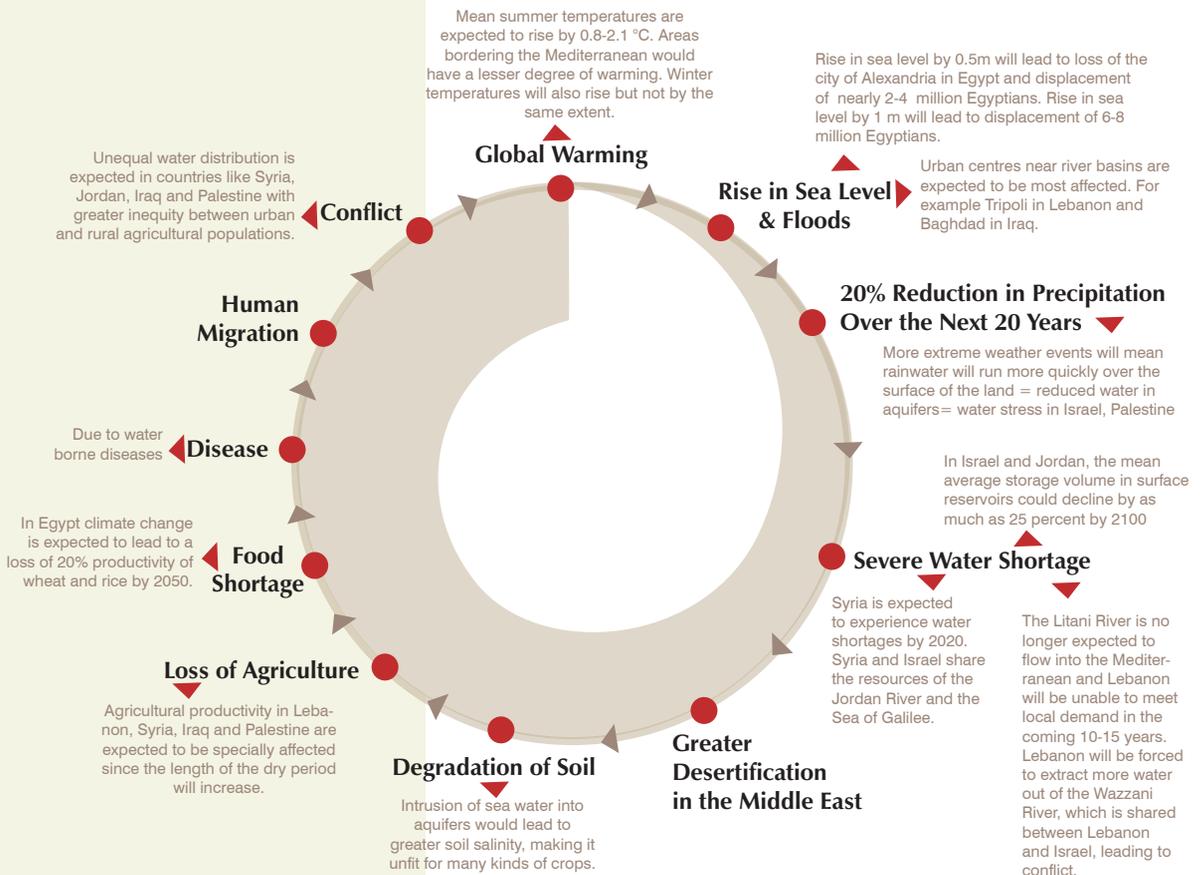
In Kuwait, an estimated 375,000 bunkers and trenches were hollowed into the ground. About 50% of the desert surface was compacted. 20% of tree cover in the country was felled as a result of the war.

In Iraq, 160 sq. Km of forest land was destroyed and Iraqi marshlands shrunk from 15,000 sq. Km to an astounding 50 sq. Km, displacing a 100-300,000 people who lived in the area. Presently only 10% of people living in Iraqi marshlands can lead a traditional life of subsistence.



## 9. IMPACT OF CLIMATE CHANGE

The water stress in the Middle East is expected to be further exacerbated by climate change over the next decade. While climate change can not be directly ascribed to the atmosphere of conflict in the Middle East, it is likely to act as a threat multiplier – exacerbating water scarcity and tensions over water within and between nations. If there is no cooperation and collaboration between neighbouring countries that share water resources, the fight over natural resources could lead to a war.



## Chapter 9 : Scenarios 2025

