THE INCREASE IN UNGOVERNED SPACE



Remarks by Sir Jeremy Greenstock Introduction by Howard P. Milstein November 13, 2006

Citizens Crime Commission

OF NEW YORK CITY, INC.

THE MILSTEIN CRIMINAL JUSTICE POLICY FORUM



HOWARD P. MILSTEIN

Since 2002, the Citizens Crime Commission of New York City has presented a series of Criminal Justice Policy lectures sponsored by Edward L. and Howard P. Milstein through the Milstein Brothers Foundation. Each event features a nationally,

or internationally, prominent speaker who addresses the Commission on such issues as crime, criminal justice or terrorism. The formal remarks are followed by a question-and-answer period. Each meeting is open to the media.

Attendance is limited to 150 invited guests drawn from the top ranks of the New York City business and law enforcement communities. Each lecture is printed and distributed to top business, civic and law enforcement leaders.

The Citizens Crime Commission of New York City is an independent, non-profit organization working to reduce crime and improve the criminal justice system in New York City. The Commission is supported by the business community; its board of directors is drawn from top corporate executives and members of major law firms. The Commission was established in 1978.

Howard and Edward Milstein are prominent New York bankers and real estate owners. They have a long record of working with the New York City criminal justice system to create and support innovative programs. They are also active in national crime prevention issues.

Introduction by Richard Aborn

¬hank you all for coming. We really appreciate it. You're always steadfast supporters of this organization, and that means a lot to us. I get to do again today what I get to do so very frequently, and it's an ongoing testament to their civic involvement, and that is to thank Tom Moran and Mutual America. They have hosted forums in this space, breakfasts, lunches and dinners, for a long time now. And I can tell you, as we were getting started today, and I thanked Ed Kenney who's here on behalf of Tom for once again hosting us, he said, "Any time." And that's just wonderful. So I really appreciate that, and we thank you greatly for that.

I thought what I would do, which is a bit of a deviation from what we normally do is just maybe set the stage a bit for the talk today, which I think is actually a very important talk in this trans-Atlantic forum that we've been having on terrorism issues. You will all remember that we've had three men come in and talk about terrorism within their own context. The first was our own commissioner, Commissioner Kelly, who described, as you may recall, what the NYPD was doing. And how the commissioner was increasingly concerned about terrorist acts that would be launched from here, and how he found it necessary to start sending NYPD officers abroad. And we're all very familiar with that discussion.

I won't say it's the first time the NYPD did it, because it's not. But it's certainly the first time in recent memory, and it is

absolutely the most sustained program that the NYPD has done. He was followed by Sir Ian Blair the Commissioner of Scotland Yard who made two very broad points.

The first point was that communities have got to be engaged with this issue. In other words, community policing. How ironic it is that Bin Laden may have done more to revive community policing than almost anything, how ironic, but how necessary. He also made another point which was that the U.K., for the first time, was beginning to feel the threat of homegrown terrorism, much more so then terrorism being delivered, or organized rather, from the Middle East. And he said that separated the U.K. from the United States.

I don't like to disagree with Ian, but I must say I respectfully disagree. And unfortunately much more importantly, our third speaker, Director Mueller of the FBI, came in and said during that speech, that now the FBI was more concerned, or equally as concerned about homegrown terrorism, as they were about terrorism coming in from foreign shores. This collective issue, the issue of homegrown terrorism, raises numerous concerns and numerous questions.

If homegrown terrorism is one of the major threats that this nation and the United Kingdom face, are the interventions limited to law enforcement? And as we think about law enforcement, for the first time – at least the first time that I can think of – how does the foreign policies of these two respective nations affect what happens domestically on the crime front. It's a very important issue and one which we're going to have to be very careful to examine. Because we will feel the direct impact of what happens here in this country.

And fortunately, or unfortunately, depending on your perspective, the rhetoric around this is becoming very sharp, very sharp indeed. The term "Islamo-Fascism" is gaining currency in the United States, I don't know about in the U.K., but certainly in the United States. Is it a good term, or is it a term that alienates some of the very people that we are trying to work with?

Also, in the same rhetorical question, what are we doing (as I've talked about before) to support moderate Muslims? What are we doing to engage in this joint responsibility that we have, to resist those Muslims that would radicalize Islam? Are we doing what we can to support the moderate Muslim community? Again, equally important questions.

And these are occurring at a time when the ground is really shifting. We're seeing enormous changes taking place. In the last ten days alone, just think about what's happened. In London, the head of MI-5 stood up, and in a speech that certainly in the four years that I've been working with the London police services, I've never heard, she stood up and said that the U.K. was facing as much as 30– investigating as much as 30 homegrown terrorist plots. That's an astonishing number, and that's what she's publicly saying. This was a public statement by the head of MI-5, who rarely to my knowledge speaks out.

We're hearing this noise out of Palestine from Hamas. Nobody's really quite sure what they're saying during these past 72 hours, but there's something moving there. When the Prime Minister offers to resign, what does that mean? What does it mean when the Palestinians start talking about a unity government? Still not subscribing to

the three conditions laid down, but there is some movement there. Now the Arab League is starting to make some movement there, what is that all about?

The Iraqi government is talking about a shift in its cabinet. This is all in the last ten days. A shift in the cabinet, realigning the cabinet post, trying to bring in a greater political cohesiveness. In the U.K. there will be a change in the Prime Ministership at least — I think by no later then next summer, perhaps a bit earlier. What will that mean in terms of labor policy, and what will it mean in terms of greater policies coming out of the U.K.?

And certainly the thunder clap heard in the United States last week, heard around the world when there was a shift in the political spectrum in this country. These are all important things that are taking place that as much as they will impact what happens abroad, will certainly happen here. These will have profound implications.

So those are the kinds of things that we're going talk about today. And I'm actually delighted that Sir Jeremy has been able to join us. In order to introduce Sir Jeremy, I'm going to introduce Howard Milstein, which is an absolute pleasure for me to do.

Howard is part of the Milstein Brothers Foundation. Howard and his brother Edward, the other half of this dynamic duo, has brought vision and resources and genuine commitment to the pressing issues of our time. Not just on crime issues, but they've been very concerned about crime issues for a long time, and homeland security is a particular focus of theirs right now.

It is no secret that we have to fight terrorism and maintain order. It is the first and foremost responsibility of many of the people in this room. But perhaps equally and more importantly, it is the responsibility of all citizens. And Howard has taken a lead in trying to promote that very notion. Howard believes that the private sector, the business community and the citizenry at large, must lend a firm hand to assist law enforcement and sure up the nation against this potential threat.

He believes that systems and structures need to be created that encourage people to take part in safeguarding their communities and to share the responsibility for promoting local, state and national security. Howard has a quote, which Howard I hope you don't mind, I'm going to steal from you because I think it's a wonderful line. He says, "We are a nation of optimists and doers. We always have been and we always will be. But now is not the time for fear or complacency, now is the time for action. Now is the time for us to get on with things."

Howard doesn't just talk. He has put part of his money there. Over the past ten years—and I must say over the past ten years, in other words before 9/11 and before the July bombings in London, he's put over \$4 million into law enforcement efforts and into crime prevention. Let me just give you three of the bullets of things he's done. For many years, again before 9/11, he was helping the NYPD to upgrade their computer and surveillance systems. He was raising money for subway security. Providing pro bono expert advice of an IT company to assist the NYPD in upgrading its MIS systems. And he has also provided substantial funding

for NYPD officials to attend conferences all over the U.S., and I think abroad, to attend conferences on technology and increasing the efficiency of local policing.

Cities, I believe, thrive because they have the deep commitment of the civic community. And I think Howard, in many ways, personifies, and he has for many years, that commitment. I've known Howard for 15 years, I consider him a dear friend. And I'm very happy to invite you to the podium to introduce Sir Jeremy.

Introduction by Howard P. Milstein

hanks, Richard. Has it been 15 years already? I'm proud to say that we've done some good things together over those years. My brother Edward and I are pleased to continue our support of the Citizen's Crime Commission, under your leadership, Richard. As with all that you do, you put your own special stamp on this work.

Good afternoon ladies and gentlemen. In recent months we've expanded the scope of this lecture series to include a global dimension. As conventional street crime and other threats of the past have receded, terrorism has quickly risen to the top of the law enforcement agenda. As we know all too well, terror threats aren't confined by national borders, they are bred by a myriad of interlocking organizations that now span the globe. So this is the right time to change our focus here as well.

New Yorkers, those of us in business and those of us involved in crime fighting, need to begin to think globally about terrorism, its roots, the ways in which it spreads and how it impacts so many countries around the world. At our last forum Sir Ian Blair, the Commissioner of the Metropolitan Police, shared many important insights about these questions with us. Now as we continue to be bound together by the events of 9/11 and 7/7, we again look toward our allies in the struggle for additional answers.

Today's speaker, Sir Jeremy Greenstock, is well positioned to offer them. After studying at Harrow and Oxford University,

Sir Jeremy spent most of his eminent career working for the British Diplomatic Service. Among his many foreign service posts, he served for five years as Britain's permanent representative to the U.N. here in New York. He later worked for the Foreign Service in Washington D.C.

From these two important posts Sir Jeremy came away with a profound insight into the special relationship that exists between the U.S. and the U.K. Sir Jeremy also gained a great deal of experience in Middle Eastern affairs during his years in the foreign service. He studied Arabic at the Middle East Center for Arab Studies in Lebanon, and spent several years posted in Dubai and Saudi Arabia. Following his work at the U.N., he was named the U.K. Special Envoy for Iraq where he served until 2004.

In Iraq Sir Jeremy got a first hand look at the hurdles faced by both us and Great Britain, as they seek to transform a war torn, authoritarian regime into, we hope, a stable democracy. It remains a daunting challenge. Today Sir Jeremy is Director of the Ditchley Foundation, the renowned international affairs institution founded in the 1950's to promote serious discourse between Great Britain and America on issues of important mutual interest. Since then, the foundation's focus has been broadened to include the participation of many countries around the world. Please join me in extending a warm welcome to Sir Jeremy Greenstock.

Remarks by Sir Jeremy Greenstock

Thank you for being one of my least diplomatic audiences this year, to talk to. I want to go into what I would call the big picture that surrounds your business, as the practitioners in, and the supporters of the Citizen's Crime Commission of New York. And from what I've heard from Richard and from Howard, I understand that what you do, what you are trying to do, the reaching out that you achieve is an exact parallel with what I'm trying to do with the Ditchley Foundation. Which is to talk about those things that are not well discussed, debated or analyzed publicly. And which need civil society, people beyond government, to understand if the problems of the world are to be solved.

I'm going to talk to you about what I call the increase in ungoverned space. And let me explain that quote. In an article earlier this year, Ambassador James Dobbins of Rand wrote about the U.S./E.U. relationship and the limits on unilateralism in a changing world. And he briefly described that change. He said, "Across the globe, the continued fragmentation of nation states, the increase in ungoverned space, and the unwanted immigration, disease, crime and terrorism that these conditions breed continue to compel attention."

Perhaps we all feel nervous that the identifiable foundations of stability and cohesion in our societies appear to be eroding. That is one of the effects of the vast and rapid changes that Richard was just talking about. I want to talk briefly about a number of factors in this trend, relate them to our defenses against organized crime

and terrorism and not so much draw some conclusions, as point to some work that now needs to be done so that we understand the reactions to these trends that we need to take up. And then I hope that we will have a discussion.

Let me quickly, and perhaps a little bit crudely– give you my view of what's happening in the world in terms of geopolitics and the big trends. And I start with one very important tension. Globalization, which we talk about endlessly, covers a number of things but it doesn't cover everything. We're seeing globalized exchange, in terms of commerce and economic activity, and information and technology and travel and communication and individual connectivity. And that is immensely important.

But what we are not seeing is the globalization of political structures or of cultures. What we are seeing in politics and culture is polarization, partly as a product of globalization. We are not globalizing in everything, we are dividing in some things. Part of this is due to the spread of freedom. Let me just explain the paradox that comes from the spread of freedom and democracy that has been promoted above all, and Western Europe is particularly in the debt of the United States for this, comes from the American people and the values that they stand for.

But in spreading freedom, you are to some extent, diluting traditional power, bringing more people into freedom of choice. Allowing a wider spread of people to express themselves in ways that may include disagreement with, or even hatred of the United States. You have opened up that possibility through your spread of freedom. But at the moment you are

expecting too much in terms of gratitude for that, from the peoples who have benefited from it. It is not necessarily going to happen that way.

In fact, with freedom, if you feel stability and security and prosperity around your own space as an individual, as a family man, as a corporate man, as a professional, as a citizen, you also narrow your horizons. If you don't need big government to keep away big enemies, your identity narrows its horizons to the people you really identify with, the people you live with, you meet for lunch with, you work with, occasionally but not that often, the people you vote for, your identity narrows. That is part of the polarization I'm talking about.

And with this spread of opportunity and freedom of choice that comes with globalization and the values your country is transmitting, come new sources of power. If power is spreading out, there are new people grabbing hold of it, in economic terms, in communication terms, in hard power terms in the building of armies and new weaponries. And some of that power is expressed in symmetrical forms that we find it quite easy to deal with, because we have the structures for that. But some of that power is being expressed in asymmetrical forms, which we do not readily understand and which we do not easily relate to or react to.

Another absolutely familiar theme to you, but let me just– before I get into the rest of what I've got to say– mention one important aspect of asymmetrical power that comes from small groups or criminals or fanatics or terrorists. That power does not choose to fight on your battleground. We, the West, NATO, the U.S. /U.K. Alliance,

are brilliant at fighting on the big battlefield, with big platforms, with technology, with highly trained soldiers, police, agents of other kinds. We are very good at it. They are not going to choose to meet us head-on on our battlegrounds. They are going to go somewhere else, and I'll come back to that as I get through my remarks.

There's something else about globalization and the spread of our values and our freedoms, and that is that government is getting harder. The monopoly that the state has, in history, normally had in human affairs, monopoly over the use of force and the carrying of arms (although of course, I recognize that that is not necessarily the case in the United States) the monopoly over information, or certainly official information, the monopoly of leadership in the community is leaking away from government, leaking away from what we normally regard as the head of the state institutions. With that the relationship between governed and their government is changing.

The spread of individual freedom and choice and individual capacity to act, and the availability of knowledge and of information makes people think that they can look after themselves without paying so much attention to government. And for those who are less enamored of what is going on, the capacity to express anger and to show resentment is that much greater in modern society. Small non-state groups have access to those things for which state had a monopoly, particularly to lethal weaponry, but also to instruments of propaganda, communication and information.

And the response to that, frankly, has been quite slow. Government is not adapting, constitutions are not adapting, methods of seeking political power or of putting together political parties are not changing. And it's my view that politicians and electorates and democracies are drifting apart. Politicians and peoples in non-democracies are beginning to drift apart and think differently. Leadership and followership are changing and politicians are not necessarily realizing how much they're changing.

I'll just give you one example in a nondemocracy, and I'll come back to one or two facets of the Middle East, but we can discuss this later. The rise of Hezbollah in Lebanon and indeed elsewhere, and the enormous popularity of Sheik Nasrallah the leader of Hezbollah in Lebanon is indicating that the fed-upness of peoples with their governments, their ineffective, selfserving, unchanging governments in the Middle East is leading ordinary people to look for other sorts of champions. And if a private sector champion, like Hezbollah, comes into the scene and has money to spend, and seems to represent values better then their government does, then you've got an alternative pole of government, which is very difficult to bring into government, as the discussions in Lebanon over the past week have shown.

This is a very important new phenomenon and the Hezbollah example will not be the last one that you witness. So that you can see with these remarks about government, I'm beginning to describe ungoverned space, space that governments can't reach to. People think they need government less. Now most people, those who respect the law, take the advantages and the opportunities from globalization, from freedom, from increased prosperity, and they feel more empowered, and they feel reasonably secure for a while. But those who don't

respect the law have found that they've got an advantage. They've got a greater choice of channels to use to pursue their own objectives. They have a wider range and a more powerful range of instruments. They have more hiding places then they might have done in previous society.

And the lawmakers and law enforcers who are reacting to that can also, of course adapt their powers and their methods, but they do so later, because they do it as a reaction and they do so slower. The people who tend to get at the open spaces when there is change, are those with the most intense motivation to profit from those open spaces. They tend to be criminals and fanatics, before the law abiding people and the law abiding structures get there. So just in time of reaction to change, the criminals and fanatics get there quicker, move faster, innovate and are more effective in executing what they're trying to do.

Before I give you some examples of that, let me just say a quick word about the reaction to the U.K. government in particular, to the trends that I'm talking about. A very popular government that came in in 1997, that won two subsequent elections by large majorities, a very compelling central figure in Tony Blair, but they've come up against the resistance of the British people to their giving the priority to exactly the things that I'm talking about. There's been a very big debate, as I'm sure there has in the United States, about the balance between freedom and security.

But what happened in the U.K. was that the government, a very centrist, soft left government, wanted to react very firmly. They have legislated massively in this area and in the area of business and corporate responsibility, when the criminals have also been quite active over the past decade. More legislation, in terms of the pages of it, have been enacted in Britain in the last ten years, then in all the statutes from Parliament in history up to 1997. That is the amount of legislation that has come out of the British system as a reaction to national and international change.

We've also become, as you may have heard, the number one surveillance society in the world. We cannot move for more then four minutes, outside our houses in the U.K. without being on camera somewhere. Big Brother has really hit us. And most people think, "Well that's quite a good thing, because we don't mind being filmed, the criminal does. We'll catch the criminal." And to some extent that has happened. But we have become a surveillance society, and it's beginning, just beginning to be resented.

Government then complains that the people don't seem to understand that the firmness of reaction that we're putting in place, and the need to survey that we are putting in place is absolutely essential for the individual's interest. No, that's not what people are thinking. They do not want their society changed so much that the risk of violence is brought down to zero. They do not want to change as they see their interests spread, at this moment.

And as a result the government loses popularity, loses legitimacy to some extent. And they end up less able to control the space then they were at the beginning. It's a very strange phenomenon when all the way through government has been honorably acting in the citizen's interest. The examples of what I'm talking about are absolutely clear in your minds in the pro-

fessions that you represent in this gathering. They are of course, in the increasing crime figures, across the range of crime that crosses borders, drugs, money laundering, other sorts of trafficking, small arms trade, explosives, embezzlement and fraud, proliferation of weapons of mass destruction. The figures in all of those are going up, although the capacity to control these areas should also have been going up in this period.

Juvenile crime, on which Richard has written recently, is also rising alarmingly. As young people who are disaffected from their society, who don't feel that they have the same interests as the older generation, look for the opportunities to suit their own interests in their own way. And some of that is criminal. In new territories that break up the Soviet Union, Yugoslavia, we have clearly seen the criminals and the exploiters get there before the law enforcers, and the law abiding people. Absolutely clear example in those two places.

It is also of course happening in Iraq and in Afghanistan. And I'm not going to go into Iraq. I'm absolutely delighted, for once, not to be talking about Iraq. But if there are questions later, let's get into that. Iraq is going to go further downhill before—if ever—it repairs itself.

And of course talking about hiding places, an increasing number of states are unable to govern themselves. Where the government is too weak for the size of territory, or the number of tribes, literally or metaphorically, that there are in that nation. Then the opportunity for hiding there, for developing new groups there, in Somalia or in the Great Lakes region, or in Sierra Leon or in Sudan, as far as Africa

is concerned, in Indonesia, in Philippines, elsewhere, you know the countries where this has been happening, in Latin America to some extent.

The environment for globalization and for these changes is global. But the individual pieces of trouble that come to hit our interests and our societies are coming out of some local area in these places that I'm talking about. And the Middle East, of course, is one of them or concepts and religious extremism that's flowed from the Middle East, or has to do with politics in the Middle East- must be included in this conversation. But the source of each of your particular problems, whether it's Al Qaeda, whether it's Colombia drugs, whether it's poppy growing in Afghanistan, or whether it's criminal gangs in the caucuses, come from a particular locality, for a particular reason.

Terrorism has, to some extent, mutated into a global phenomenon. But terrorists are local. And you will not eradicate terrorism, or these other sources of crime unless you persuade the populations where they had, that they must not tolerate these people in their society. That they must not tolerate violence within their society. Of course we need the homeland security, the military defense, the diplomatic instruments, the government-to-government exchanges. But I learned, as chair of the U.N. Counter-terrorism Committee, that unless you persuade each people in each locality that they must not allow the law to be broken on their territory, or it will come back to haunt them. This is an absolutely necessary part of constructing a global coalition against terrorism. And if we leave that part out of it, if we leave the engagement, the persuasion, the diplomacy, the relationships out of our defense against terrorism, we will not be able to eradicate this particular scourge.

So what should governments do? I think that the number one requirement on government is to analyze correctly what is going on. All sorts of things flow that are of no use to our interests, if governments fail to analyze exactly what they're dealing with. And remember that age old human phenomenon, those in power do not want to admit that the context for their power is changing. They are conservative to the extent that they want things to go on as they are. And they can very easily get into a state of denial that they're changing. And yet adaptability is very important part of holding on to power.

Governments also have to focus resources on to those areas that are affected. That sometimes happens, it sometimes doesn't. The military always think in terms of hitting the enemy's center of gravity. I haven't yet heard a debate that has clearly explained to me where the center of gravity is for the terrorist group, or the potential terrorist or criminal enemy whom we're defending against. If you just think of that term, where is his center of gravity? You start thinking differently about what you're defending against, and where your stiletto needs to reason.

The third thing that government has to do is to explain to the citizens what is going on. Unless people understand that their interests are caught up in the trends that are being correctly analyzed by government, if that is the case, then they will respond properly. They have to have these things explained to them. In the United Kingdom, there is actually a great accept-

ance of the need for government to have power in their interest, and to do certain things. But it has to be done in a way which is honestly explained and transparently explained, and does not seem to be connected to the business of holding on to power politically. That does not always happen in our societies.

We have to improve, domestically, the intra-national coordination of all the agencies and actors who are dealing with these things. Going beyond the military and the paramilitary into the societies that deal with the particular groups inside a country. Intra-national coordination has been okay in the United Kingdom, we tend to be team players. I don't know enough about the United States to know where it's been a particular strength of the U.S. system. But my suspicion is that intra-national coordination is only just beginning to improve from a pretty low base in this country.

It's not for nothing that the British Embassy has access in Washington. Because it has learned how to take information and advice and analysis from one department of state to another, because they're not talking to each other. It's very often the British government official who tells one government department what another government department is doing. It seems to me that intra-national coordination, in the United States, can go on improving.

But it is particularly important to have international coordination. Going beyond the easy coordination with allies, and going through to work with people who are not easy to talk to, about the threat which we actually share, and about why we should be cooperating. There are of

course limits to rational explanation in all of this. People will remain complacent if the bombs aren't coming through their windows. Short-termism is a feature of democracy and strategic planning is at a premium in our countries. Nevertheless, leadership on these things is vital and long term planning is absolutely vital.

What we're beginning to do on climate change, to give clean air and water to our grandchildren, has also to be done in terms of strategic planning and explanation, in the area of security, crime, terrorism and the bringing together of communities. And the individual, what should he and she do? Four things. Understand the importance of the state, don't underestimate the importance of the state. Second, look for and elect strategic leadership. It really matters to you as an individual. Thirdly, invest in education in society, and get the educational field and civil society institutions filling some of the gaps of ungoverned space. Government cannot do it all, even if you respect government. And fourthly, cooperate with government in cracking down on criminality- and violence in your community, wherever you are. And that should be the outreach message also, from governments to their allied governments and beyond. Don't just leave it to government, they cannot do it all. You must contribute as an individual.

So I leave you with three or four underanalyzed trends which this group, I believe, should be investing in the taking forward of. First of all, the disaffection between governments and the governed. Almost a taboo subject, it really matters. Where is loyalty to the state in the modern age? What is the state that we are loyal to in our own minds? What are our children going to understand from loyalty to the state? It's not a question that is often asked.

Secondly, understand the limits of hard power. There has to be hard power. The Europeans are too wedded to soft power without hard power, there has to be both. Hard power passes the asymmetrical enemy by on the other side.

Thirdly, we have to analyze the capacity of people to understand the limits of freedom. The need to adapt and allow our governments to exercise power without resentment. But there has to be explanation and transparency.

Fourthly, and if there was ever a taboo in this society it may be this one, constitutions are not necessarily fully adapted for the modern age that I've been trying to describe to you. Be brave about constitutional evolution to suit yourselves, not as a rebellious republic, but as a single super power. This too now needs some discussion within your own community.

Space is better if it's governed. The elements I've been trying to bring to you and to explain to you are the elements of a society that understands why and how space is to be governed. And we all have to contribute to making that possible. Thank you very much.

Questions & Answers Sir Jeremy Greenstock

RICHARD ABORN: Sir Jeremy I think maybe just delivered the 21st century version of Broken Windows. And if George Kelling were here, he'd probably name it Broken Governments, so it's something to think about. Sir Jeremy has kindly offered to take questions, should you have any. Who can I call on first. Howard?

Q. I was curious as to how the end of the Cold War influenced the new terrorism that you're talking about.

A. The end of the Cold War brought in a period of huge relief, redirection of resources and heightened expectations. The most important of those three, in terms of the evolution of geopolitics since, and of the nature of society's reaction, to the peaceful world they live in, has been heightened expectations. It's essential for human societies to understand that although there are not going to be any more world wars, there is no end to violence.

We have to tolerate, in one sense, in our minds and not be fazed by the continuation of violence at some moments in our society. I fully understand, I was in New York at the time, the fully shocking phenomenon of the collapse of the Twin Towers. I watched New York put itself together in the months after that, in a way that Londoners— even Londoners admired. But I worry for the United States if something like that or worse happens again. The absorption capacity of American society to understand that is going to happen now and then, and

society is bigger then that, and we must count and bless the dead— and remember them, but we must move on without reacting as our attackers want to react, has got to be part of the modern American, modern British, modern French, modern developed societies.

We thought when the Cold War ended, that it was the end of history. It was the beginning of another history in which a new form of violence— and a much more difficult one to defend against, is actually going to be what we worry about. Russia is currently not much help in all of this. Russia has gone introspective. I don't criticize them for that. The European Union has gone introspective. But there is regression in Russia, as far as the democratic evolution of the Russian Federation space is concerned.

They're worried about keeping the federation together more then they're worried about the expansion of the economy or the engagement with the outside world. And some stories have worried them— Kosovo and Iraq— and NATO's outward reach and weapon systems have given Russia quite a difficult time over the past ten years. We haven't always handled them as well as we might have done. But Russia is putting Russia and Russianness first, and that is uncomfortable for us, and will be for some time to come.

Q. You spoke about the role of Hezbollah and Lebanon, and you touched upon where we can anticipate Hezbollah type of organizations taking over from legitimate governments who may have lost the confidence of their people. Can you elaborate on that and tell us where we're going and what we have to look forward to?

A. What is happening in non-democracies, in some ways is running in parallel with what is happening in democracies in the development of civil society. But if you develop civil society, institutions, in a non-democratic context, and those institutions have very narrow and quite extreme objectives, the process can be the same, in terms of the appeal to society, because civil society supplies, in a sense, what government does not. But the results can be very different. And the people who should be worrying most about Hezbollah are the governments of the countries where Hezbollah or likeminded institutions are beginning to form.

I think we're in for a generation of quite considerable trouble in the Middle East. At the moment, the feelings of frustration amongst the Arab peoples for example, who believe that their real potential as human beings is not being fulfilled is against the outside world, those who invented globalization and increased wealth around them. without giving them any. And when you are talking with them, when we are talking with them they will direct their anger to the outside. But when you're not there, when they're talking together, when they're at home with lights on and eating their supper, they're talking about what's happening in their immediate community and how they're not getting what they need from their own immediate government.

And that is where the real tension is, between the stagnant old, and the newly motivated movement within Arab and Islamic societies. They're looking for something else, they're looking for a champion. They are, if you look, spectators or members of a football club whose club hasn't scored a goal in the last 50 years, let alone

won a match. They are angry, they want management change, they want changes in circumstance. Hezbollah are picking on these motivations, these psychologies, and beginning to feed them.

And of course the aftermath of the Israeli-Hezbollah war in Lebanon was a natural opportunity for Hezbollah. It's beginning to happen with the Iranian proxy movements in Iraq. It's beginning to happen within Syria and Jordan, and societies fear in Saudi Arabia. Although, the Saudi security system is much tighter then in some of these other countries. And so, we're beginning to see, in that context, one of the examples of governments losing power, losing their persuasive legitimacy, and it's going to lead to change in the Middle East.

Ideology plays a role in the appeal of the extremist movements like Al Qaeda, to the radicals coming in, that there are two motivations. One is, that an already radicalized young mind will want to find a group to join. The other is that an empty young mind will want to find something to do, will want to find a captain to follow, a champion to follow. They don't really mind what it is, but they hate being unemployed, inactive and undervalued. They want to find a place where they are valued, even if their value is to be expressed by blowing themselves up and becoming a martyr.

It's the emptiness that I think we should be addressing as well as the already radicalized, hostile criminal if you like because they're potential assassins, psychology. It's not actually our job to affect these people, it's their own people's business. It's their government, their families, their educational systems, they're all deficient if they are not giving each individual an opportunity to play a valued role in society that is within the law rather than outside it.

The governments who are responsible for that have largely tried to turn this accusation outwards on to the United States, on to the U.S./U.K. coalition, on to the people who support Israel against Palestine, on to the people who invaded Iraq. But actually those are labels and excuses. What is happening in their societies is something that would be happening even if there weren't those instances to point to. It's the fact that their societies have not given them something valuable within the law to pursue.

And that is becoming very dangerous for us, because although the origins of their motivation are local and political and social, within their own tribe or their own community, globalization is exploding that out through awareness of what the Great Satan is doing to Iraq, or what the great super power is doing with Israel. In their mentalitv it's transferred outwards so their anger and their capacity to do harm is globalizing, but what they really want is local. And we've got to make the connection between those two, and help the governments either, frankly- to change or to do what they should be doing in society, without our help and with our understanding. Indeed with a deeper understanding then we're showing at the moment.

Q. Sir Jeremy, you made reference to the need for communities which shelter terrorists, themselves to be convinced that that's unacceptable within those communities. And I'm wondering whether there might be a model in Northern Ireland, where grassroots religious leaders negotiated ceasefires

with the IRA and the loyalist paramilitaries, by convincing them that this violence would not be—should not be accepted within their own communities, at the grassroots. Is there a model there that can be used by extension, in other areas of armed conflict?

A. You answered the first bit of your question, with your second bit. Because I immediately said, "I must bring in Northern Ireland to this one." The British military could not, and the Northern Ireland police, could not eradicate violence— in Belfast in Northern Ireland, in South Amma until the Irish people, the Northern Ireland community, the Catholics in that community, the women in that community started to say, "We're exhausted by violence and this is not right. Violence is not bringing the answer. We do not want our children just brought into this culture of violence."

For 25 years before that happened, from 1969 through to 1990– it was really impossible to eradicate a violence that was so determined to take up the cause, that each new recruit would follow any particular arrest. And that is happening in spades in Iraq and in Afghanistan, the Taliban are beginning to come back. The societies in these two places, and there are also many others, have not yet decided that they're exhausted by violence. And you will not eradicate violence in Iraq until the people themselves choose to decide they're exhausted by it. And by that analogy, they've got 20 years to run in Iraq before they become exhausted.

Q. You invited a question about Iraq. I'm not sure we can let you leave without asking it. There is no question that within the next six months, maybe the next six weeks, the

continuation of coalition forces in Iraq will be front and center on the political stage. This is really a hotly debated issue. In terms of the impact on terrorism, I wonder— it seems to me there are two core ideas. One is that if we withdraw— if the United States and the U.K. withdraw from Iraq, that may take the wind out of the sails of terrorists, because they've removed one of the motivating factors, one of the incentives, one of the acts of encouragement by which other terrorists can be recruited.

The other argument is that much like the Mujahideen in Afghanistan with Bin Laden there, and maybe Hezbollah in Beirut-experience a surge in activity, because they tasted victory. They felt, in the case of Afghanistan, that they've chased out the super power. I wonder if you have any thoughts about should the U.S. and the U.K. start to withdraw, how that will impact terrorist recruiting?

A. I'll say straight away that I am not an advocate of withdrawal, and I'll tell you why. There are two things that will follow, two main categories of things that will follow, from a defeat in Iraq and a withdrawal by the coalition forces. One is that the violence and the sectarian divisions in the Iraqi community will immediately get worse, even worse then it is now. And the place will break down, not into three parts, it's not possible to partition Iraq into three parts and see it stay at three stable parts. It will go on breaking down in the localities under the local militia, under the local political boss, under the local gang. Each street will look for its own protector in a way in which we haven't really seen in our society since the anarchies of the middle ages.

But saying that won't actually prevent that happening, except in a much slower time. And therefore there is a rationale for withdrawal, because there is a reaction within society against the presence of coalition troops. But there's another category of consequences and that is that the icon of defeat that withdrawal would be, and the motivation of those who have wanted to do us harm and continue to want to do us harm in our territories, from what they've learned against us in Iraq and from the space they will have to occupy for trainingand for grouping and for launching terrorist attacks outside Iraq, is directly against our interests. Both the motivation and the practitioners opportunity that will be increased by withdrawing from Iraq is a direct U.S./U.K. coalition, national interest.

And that is why we must not withdraw from Iraq, unless we do so in staged agreement with the elected Iraq government. If they want us to go, if they're ready to take over, if they will help to deal with a phenomenon of non-Iraqi terrorism in Iraq, then we're ready to leave. If we leave before that we will double the cost of our defeat.

Q. My question is what advice do you have for responsible global business, in light of the movements and forces you've talked about?

A. One of my part time jobs is special advisor for the BP Group who I advise on geopolitical trends as well as on political in the Middle East and elsewhere. And there are all sorts of answers to give to your question, according to the nature of your business. But there are two or three things that I think are worth saying. Expect this

next period, we can't look forward I suppose, much further then ten years, but expect this next period to be very disturbed. Make sure that you have the reserves to hold your breath if you're doing business in the particular community, in the particular part of the world that is likely to be part of the disturbance.

Secondly, that the economic opportunities will go on growing. There is a reason to be in business, there's a reason to be active, so long as you understand the context within which you're working. And thirdly, particularly for big business, for the big multi-nationals, create your relationships beyond your immediate business. Know what's going on in particular capitals through having country heads who understand the political environment around your business. Business has to be linear, you have to have a bottom line, and that is what most executives are working for.

They often leave it to the C.E.O. himself, the big boss, whoever he is, to have the global understanding and the rest of us are just there to deliver to the boss. That's not good enough any longer. Everybody's got to be aware of what is happening laterally, because the crosswinds are going to be very strong.

Now whether that means, in your business— diversify or hedge or get out or whatever, is entirely up to you. But you've got to analyze how these disturbances, how the pace of change is going to affect you. Because there is one new element in power in this age, whether you're a government or a business with commercial power, adaptability is part of that power. You will lose the power without adaptability. I'm not trying to be gloomy about this, I'm just trying

to be sensible about the capabilities which decision makers need to have both in the public sector and in the private sector. And awareness and adaptability and relationships have to be part of our business.

RICHARD ABORN: Well Sir Jeremy I knew you would be an enlightening speaker, you far exceeded my expectations. That was just wonderful. And I can't thank you enough. Thank you very much.

